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PARLIAMENTARY DEBATES

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House of Commons

Wednesday 1 December 2021

The House met at half-past Eleven o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Speaker's Statement

Mr Speaker: I must inform the House that Yvette Cooper has written to me giving notice of her wish to resign from the Chair of the Home Affairs Committee. I therefore declare the Chair vacant.

The following arrangements will be in place for electing a new Chair of the Home Affairs Committee. Nominations should be submitted in the Lower Table Office—located in the Reference Room of the Library—or the Public Bill Office by 12 noon on Tuesday 14 December. Nomination forms are available from the Vote Office and the Table Office.

Following the House's decision of 16 January 2020, only Members of the Labour party may be candidates in this election. If there is more than one candidate, the ballot will take place on Wednesday 15 December from 10 am to 1.30 pm in Committee Room 15. A briefing note with more details about the election will be made available to Members in the Vote Office and on the intranet.

Oral Answers to Questions

COP26

The President of COP26 was asked—

COP27: Finance for Loss and Damage

1. **Caroline Lucas** (Brighton, Pavilion) (Green): What steps he plans to take to help ensure that COP27 delivers finance for loss and damage. [904488]

10. **Christine Jardine** (Edinburgh West) (LD): Whether he plans to have discussions with the President of COP27 on continuing negotiations for a loss and damage facility. [904497]

12. **Peter Grant** (Glenrothes) (SNP): What steps he is taking to help ensure that there is a loss and damage facility in place before COP27. [904499]

The COP26 President (Alok Sharma): COP26 was the first COP where a section of the cover decisions was devoted to loss and damage. We agreed a new Glasgow dialogue on loss and damage, which will discuss the arrangements for the funding of activities to avert, minimise and address loss and damage.

Caroline Lucas: The COP26 President will know of the extraordinary anger and sense of betrayal that was felt by the climate-vulnerable countries, in particular, when they saw the finance facility that they had proposed downgraded to just a dialogue. Will he say more about how practically he will use that dialogue to create momentum for a finance facility to be agreed at COP27? Given that from day one of that COP, the UK returns to being a negotiating party, not having the presidency, will he guarantee that the Government will support the creation of that facility in Egypt and that they will follow Scotland's example by contributing new and additional funding specifically for loss and damage?

Alok Sharma: I note the hon. Lady's point, but the fact that we have established a formal dialogue on loss and damage for the first time does demonstrate progress. Ultimately, this will be a party-driven process, as she knows. Parties will have to decide, based on consensus, what the outcome of the dialogue will be.

Christine Jardine: I stress again that the Group of 77 plus China—the world's underdeveloped countries—were disappointed, crucially, with the wording on finance. They say that it is weak and have called for greater support, but there have been no specifics on how that should be met. Does the COP26 President agree that resolving that disappointment is vital both for ensuring global success against climate change and for maintaining a balance of power on the world stage?

Alok Sharma: I absolutely agree with the hon. Lady on the importance of this issue. I very much hope that we will make progress on the dialogue. I should point out that, in addition to the dialogue, we have also done what we set out to do: to operationalise the Santiago Network, so that technical assistance can be provided. Parties have also agreed that funding will be provided to support the work of the Santiago Network.

Peter Grant: As the hon. Member for Brighton, Pavilion (Caroline Lucas) mentioned, the first organisation in the world to give a definite financial commitment to a loss and damage facility were the Scottish Government, who, officially, were not even part of COP. They have committed £2 million and, as a result, other organisations—the Government of Wallonia for one—and a number of philanthropic bodies have also committed money. Does the COP26 President agree that, in holding the presidency of COP26, the United Kingdom is in a unique position to encourage others to follow Scotland's example? Does he also agree that a significant commitment from the United Kingdom would almost certainly open the doors for substantial funding from other wealthy organisations?

Alok Sharma: Again, I make the point that it is the first time that we have agreed the need for a dialogue. During our presidency year, we will pursue that very actively.

Bob Blackman (Harrow East) (Con): I congratulate the President of COP26 on the excellent work that he has done for this country and for the world. Will he also inform the House what discussions he has had with the Treasury about what we as the United Kingdom Government can do to help the countries that are threatened?

Michael Fabricant (Lichfield) (Con): What a creep! *[Laughter.]*

Alok Sharma: I will ignore that additional comment. I thank my hon. Friend the Member for Harrow East (Bob Blackman) for his very kind words. A number of

things have happened in relation to the UK. The Chancellor has set out the conditions to restore the 0.7% commitment and we know that, on the latest forecast, that will be restored by 2024-25. In addition, the UK worked with other countries to ensure that the $100 billion delivery plan also set out when additional funding will be made available to support developing countries.

Matthew Pennycook (Greenwich and Woolwich) (Lab): Whether it is progress in relation to a dedicated loss and damage funding facility, efforts to raise ambition when it comes to national climate commitments, or delivering on climate finance and adaptation pledges, implementing the Glasgow agreement will require the work of our COP presidency not only to be sustained but to be enhanced over the next 11 months. Can the President therefore confirm today that the COP26 unit will be fully funded to deliver on all the work programmes mandated in the Glasgow agreement, and that the Glasgow Financial Alliance for Net Zero will continue to receive support from the Treasury throughout the remainder of the UK presidency?

Alok Sharma: I can certainly confirm that we will be taking very seriously our work during the presidency year, and I will return to the House in due course and set out a written statement on our role during that presidency year.

Civil Society and Youth Groups

2. **David Simmonds** (Ruislip, Northwood and Pinner) (Con): What steps he took to ensure that (a) civil society and (b) youth groups were included in the COP26 process. [904489]

The COP26 President (Alok Sharma): In the run-up to the summit, I met civil society and youth groups on international visits. We established the COP26 civil society and youth advisory council. I attended a Youth4Climate conference in Milan, and obviously the conference of youth in Glasgow. I can confirm that, at COP itself, we had over 160 youth, indigenous peoples and broader civil society speakers who participated in presidency-themed events.

David Simmonds: Does my right hon. Friend agree with me that it is an important feature of this COP event that so many young people's voices were able to be heard, in particular through digital methods, such as the children of West Lodge Primary School in my constituency, who told me on Monday how much they had valued their opportunity to participate directly?

Alok Sharma: My hon. Friend makes a really important point, and I want to pay tribute obviously to the children of West Lodge Primary School and also to him for all the work that he does in his constituency. We have an opportunity for all of us to play our part in tackling climate action, and we want to ensure during our presidency year that the voices of young people are integral to driving climate action.

Valerie Vaz (Walsall South) (Lab): I also pay tribute to the President of COP26 for the incredible work that he did. Has he had any discussions with the Egyptian Government about whether civil society groups can attend the fringe meetings, including very important people such as David Attenborough and Greta Thunberg, and also first nations around the world that maybe did not have a seat at the table?

Alok Sharma: I thank the right hon. Lady for her kind words. Obviously, we had some initial discussions with Egyptian colleagues at COP26 itself, but I hope to have a conversation with them, certainly before Christmas, and to visit Egypt again in the new year to talk about how we work in our presidency year as we move to COP27.

Outcome of COP26

3. **Suzanne Webb** (Stourbridge) (Con): What assessment he has made of the outcome of COP26. [904490]

4. **Mr Philip Hollobone** (Kettering) (Con): What assessment his Department has made of the outcomes of COP26. [904491]

8. **Paul Blomfield** (Sheffield Central) (Lab): What assessment the Government have made of the adequacy of COP26 outcomes. [904495]

The COP26 President (Alok Sharma): The Glasgow climate pact, agreed by almost 200 countries, is an historic agreement that advances climate action. It is the result of two years of marathon work and a two-week sprint of negotiations, and I think we can say with some credibility that we have kept the goal of limiting global warming to 1.5° within reach.

Suzanne Webb: Will my right hon. Friend join me in congratulating the pupils of Gig Mill Primary School, Wollescote Primary School and Cradley Church of England Primary School on taking part in my COP26-inspired Christmas card competition? There were some magnificent results. It is all about the environment, it is very green and it is also about recycling, because one of them actually used a potato head as a print to make a reindeer Christmas card. It was very clear to me that the legacy of COP26 is very much alive and kicking in the younger generation.

Alok Sharma: I congratulate all the primary schools and the students who took part in this Christmas card competition. It is perhaps an inspiration to all of us for our Christmas cards. Undoubtedly, we need to ensure that climate action continues to be raised as an issue, and we all have a role to play.

Mr Hollobone: I congratulate the President of COP26 on his personal dedication, hard work and commitment at the Glasgow summit. Will he confirm that, as a result of the summit, for the first time ever over 90% of the world's GDP and about 90% of global emissions are now covered by net emissions targets, and that all 197 countries have pledged to revisit and strengthen these targets by the time of COP27 next year?

Alok Sharma: My thanks to my hon. Friend for his kind words, and he is absolutely right. When we took on the COP presidency, less than 30% of the global economy was covered by a net zero target, but we are now at 90%, and yes, all countries have agreed to look again at their 2030 emission reduction targets and come back on those by the end of 2022 to ensure that they are aligned with the Paris temperature goals.

Paul Blomfield: Following that point, one of the positive outcomes of COP26 was the agreement for countries to revise their emissions targets next year. Will the President explain exactly what he will do over the next 12 months to ensure we get the breakthrough we need at COP27, not only to keep 1.5° alive, but to achieve it?

Alok Sharma: That is a very fair question, and as I said, in due course I will set out for the House in a written statement precisely what we will do in our presidency year. As the hon. Gentleman knows, a significant number of commitments were made by countries at COP26, and our intention is to ensure that they deliver on the commitments they have made.

Clive Efford (Eltham) (Lab): No one doubts the Secretary of State's commitment to delivering on climate change, but can he say what he intends to do over the next 12 months? The pledges that were made at COP26 must have been alarming to him, because with current pledges we are way off delivering on 1.5°, and the achievements that countries will make by 2030 will be way off target. What will he do to step up his activities as president for the next year to ensure that we get back on target to keep 1.5° alive?

Alok Sharma: As I said, I will set that out in writing. If we consider all the commitments made by countries, including the net zero commitments and long-term strategies, there are credible reports that suggest we are heading to below 2°. Of course this is the start of a decade of action, which is why we need to push forward during this year.

Philip Dunne (Ludlow) (Con): Does my right hon. Friend believe that the current structure of Government is adequate to ensure that the UK can deliver a more ambitious nationally determined contribution at COP27?

Alok Sharma: The make-up and structure of the Government are obviously a matter for the Prime Minister—I know my right hon. Friend will have raised that issue at the Liaison Committee—but our current NDC is aligned to net zero.

Edward Miliband (Doncaster North) (Lab): I want to commend the COP President, or should I say No Drama Sharma, for his efforts in Glasgow. He is right that we have to spend the next 12 months maximising the pressure on the big emitters, and we can make a difference with the UK-Australia trade deal. Australia's 2030 target is consistent with 4° of warming. Will he tell the Secretary of State for International Trade to rewrite that trade deal, and not to water down commitments, which is the current plan, but to make it conditional on Australia, as well as the UK, having 2030 targets that are consistent with 1.5°?

Alok Sharma: I congratulate the right hon. Gentleman on his new role. My only disappointment is that the phrase "shadow COP President" does not appear in his title—that is where he could take some lessons from the deputy leader of the Labour party about how to expand his number of portfolios. On the point about Australia, I confirm that the trade deal will include a substantive chapter on climate change, which reaffirms both parties' commitments to upholding our obligations under the Paris agreement, including limiting global warming to 1.5°.

Edward Miliband: I know I am shadowing the Department that the right hon. Gentleman would quite like to run, so perhaps that announcement will be forthcoming in the future. I am mildly encouraged by what he says on Australia.

Let me take two other issues where he can show leadership: the Cumbria coalmine, and the Cambo oilfield, which are the equivalent of 18 coal-fired power stations running for a year. He knows that we need to get others to phase out coal, and that we need to phase out fossil fuels. Surely the right way to send a proper signal to the rest of the world ahead of COP27, is for the whole Government to start practising what he is effectively preaching, and put a stop to Cambo and Cumbria.

Alok Sharma: We have previously had discussions at the Dispatch Box on both Cambo and Cumbria, and the right hon. Gentleman will know that they are being looked at by independent regulators and that pronouncements will be coming forward. We have significantly reduced the amount of coal in our electricity mix. Indeed, there will be no more coal in the UK electricity mix from 2024.

Deidre Brock (Edinburgh North and Leith) (SNP): I commend the COP26 President and his team for all their hard work at COP26, but one issue missing from the Prime Minister's ambition for the conference was fossil fuels generally. It is clear that we need action to tackle the use of fossil fuels globally, but in a way that supports a just transition for workers. Does the COP26 President agree that not having a concrete commitment from COP for a global just transition from fossil fuels is a disappointment, and that following the Scottish Government's example in delivering a just transition and opposing further oil exploration would set a strong example for the next COP?

Alok Sharma: We do support a just transition; in fact, the $8.5 billion deal agreed with South Africa will enable decarbonisation and a just transition in that country. We also now have 34 countries and five public finance institutions supporting a UK-led initiative to end international public support for the unabated fossil fuel energy sector by the end of 2022.

Alternative Fuels

5. **Jacob Young** (Redcar) (Con): What progress he made at COP26 on encouraging the use of alternative fuels. [904492]

The COP26 President (Alok Sharma): At COP26, leaders of countries representing over 70% of global GDP committed to work together to make clean technologies and sustainable solutions the most affordable, accessible and attractive option in each emitting sector before the end of this decade.

Jacob Young: Teesside is quickly becoming the epicentre of hydrogen technology in the UK; with recent announcements on blue and green hydrogen production, we are confident that Teesside will be able to deliver more than half of the Government's 2030 hydrogen ambitions. Around 85% of all homes are on the gas network, and domestic heating accounts for over 30% of the UK's carbon dioxide emissions. It is clear to me that we will not make net zero without switching our gas network to 100% hydrogen. Will the Minister recognise

hydrogen as a fuel of the future, and will he join me in my campaign for the UK's first hydrogen village in Redcar?

Alok Sharma: I agree with my hon. Friend that hydrogen is a fuel of the future. As he will know, the idea of a hydrogen village trial was proposed in the Prime Minister's 10-point plan, and gas network companies are working with local partners to develop proposals for the trial. I suggest that he speaks to my right hon. Friend the Business Secretary to make the case for Redcar.

Climate Change: Indigenous Peoples

6. **Martin Docherty-Hughes** (West Dunbartonshire) (SNP): What plans he has to promote the voices of indigenous people in climate change discussions during the UK's presidency of the COP. [904493]

The COP26 President (Alok Sharma): Indigenous peoples' voices were represented throughout COP26, and of course the UK Government funded the indigenous peoples' pavilion in the blue zone. We will continue to amplify indigenous peoples' voices during our presidency year.

Martin Docherty-Hughes: I am grateful to the COP26 President for his response. The territories of the world's 370 million indigenous people cover 24% of the world's land and contain 80% of the world's biodiversity, including sites of precious natural resources. It is they who protect forests vulnerable to the encroachment of modernity, which has caused climate change. Given that indigenous communities are successful in maintaining control of their territories and traditions against the onslaught of man-made climate change, does the COP26 President agree that it is time for them to be treated as equal partners in decision-making processes, including at the United Nations?

Alok Sharma: As I said, we will absolutely amplify the voices of indigenous peoples, but as the hon. Member will also know, the UK worked with others to mobilise a pledge of at least $1.7 billion over the next five years to ensure that there is support for indigenous peoples, particularly when it comes to forest tenure rights.

Limiting Global Heating

9. **Anna McMorrin** (Cardiff North) (Lab): What recent assessment he has made of progress towards the globally agreed aim of limiting global heating to well below 2° C and pursuing efforts to limit heating to 1.5° C above pre-industrial levels. [904496]

13. **Clive Lewis** (Norwich South) (Lab): What recent assessment he has made of progress towards the globally agreed aim of limiting global heating to well below 2° C and pursuing efforts to limit heating to 1.5° C above pre-industrial levels. [904500]

The COP26 President (Alok Sharma): We can say with credibility that at COP26 we kept 1.5° alive, but as I acknowledged in Glasgow and indeed here, its pulse is weak. That is why we now need to turn commitments from countries into action.

Anna McMorrin: COP26 agreed that the Paris climate agreement must now be implemented to keep global warming below 1.5°, but it has been revealed that the UK has emitted around 50 million tonnes of carbon in the past five years from collapsing peatlands alone. I asked the Minister this last time, and I ask him again: where is the climate leadership in this Government's allowing two thirds of UK peatlands to be burned while the world is on fire?

Alok Sharma: As the hon. Lady will know, we have a peat strategy, which I am sure my colleagues in the Department for Environment, Food and Rural Affairs would be happy to share with her. More widely, as a country we have decarbonised our economy faster in recent years than any other G7 or G20 nation.

Clive Lewis: We know the oil of Cambo and the coal of Cumbria have to stay in the ground if we are to keep temperature rises at below 2.4°C. I say 2.4°C because that is the new reality after this year's COP26. Will the COP President commit to stopping Cambo and the new coalmine in Cumbria, and end the climate hypocrisy that so undermined his presidency at COP26?

Alok Sharma: I responded to the right hon. Member for Doncaster North (Edward Miliband) earlier on the issue of Cambo and Cumbria. I would just say to the hon. Gentleman, more generally, that I recognise we need to work very hard during our presidency year to ensure that commitments by all countries are turned into action. That is what we will be doing.

Topical Questions

T1. [904539] **Andy Carter** (Warrington South) (Con): If he will make a statement on his departmental responsibilities.

The COP26 President (Alok Sharma): At COP26, we won historic commitments from countries and businesses to act on coal, cars, cash and trees. Countries have also committed to revisit and strengthen by the end of 2022 their 2030 emission reduction commitments to align with the Paris temperature goals. After six years, we have finalised the outstanding rules governing the Paris agreement. Of course, as I have said, we need to ensure that commitments are turned into action.

Andy Carter: I congratulate my right hon. Friend on his incredible work at the COP26 summit in Glasgow. Will he continue to work with schools and youth groups throughout the rest of his presidency? Can I invite him to Warrington to meet young people in my constituency?

Alok Sharma: I thank my hon. Friend for his kind words. I commend the work of young people in his constituency and I will ensure that my diary works so I can visit them.

T2. [904540] **Jessica Morden** (Newport East) (Lab): On behalf of my constituent Poppy, who was one of the young people at COP26, what are the Government doing to help to ensure that aid gets directly to those communities most affected by climate change now, such as the Wampis living in the Amazon who Poppy met and whose plight she was deeply moved by?

Alok Sharma: The hon. Lady raises an important point. One issue is about the quantum of money; the other is access to finance. That is why we are now launching five pilot projects in developing countries around the world to ensure that access to finance is much better.

T4. [904542] **Dr James Davies** (Vale of Clwyd) (Con): My right hon. Friend will know the increasing importance of north Wales in supplying clean and green energy to the national grid. Further to COP26, how would he describe the prospects for tidal range technology in the region?

Alok Sharma: My hon. Friend is a great champion for his community on this particular issue. He will know that the Government remain open to considering well-developed proposals for harnessing tidal range energy in the bays and estuaries around our coastlines. Obviously, I recommend that he also speaks to the Department for Business, Energy and Industrial Strategy.

T3. [904541] **Ian Byrne** (Liverpool, West Derby) (Lab): According to Friends of the Earth, 33,000 premature deaths a year in the UK are linked to air pollution. During the COP26 climate summit, the Environment Bill passed its final stages in this House. Shamefully, it did not include legally binding targets for air quality, which were called for by so many, including hundreds of my constituents in Liverpool, West Derby. As the UK retains the COP26 presidency, will it lead by example and bring in the extra measures needed to clean up our air?

Alok Sharma: The hon. Gentleman raises a very important point, but air pollution has reduced significantly since 2010. Our clean air strategy proposes a comprehensive suite of actions required across all parts of Government to improve air quality.

T5. [904543] **Selaine Saxby** (North Devon) (Con): Following on from the success of the North Devon climate summit, my constituents are keen to understand how can we empower people to make their own choices on a global scale.

Alok Sharma: I commend my hon. Friend and her constituents for the success of the North Devon climate summit. Every Government need to play their part and I am pleased that the UK Government's "Together for our Planet" campaign provides practical advice on how everyone can go one step greener.

Wera Hobhouse (Bath) (LD): Synthetic aircraft fuels are still in their infancy. Domestically, the Government have a tool, the renewable transport fuel obligation, by which they can mandate the mixing of synthetic fuels with conventional aircraft fuel, thereby starting the process of making synthetic fuels viable. Is the right hon. Gentleman aware of any similar mechanisms in other countries, so we can start an international agreement on mixing synthetic fuels with aircraft fuels and driving the route to net zero?

Alok Sharma: As the hon. Lady knows, the Government are putting funding behind sustainable aviation fuels. I would be very happy to arrange a meeting for her with the Secretary of State for Transport or with a Transport Minister.

Ruth Edwards (Rushcliffe) (Con): I particularly welcome the COP outcome relating to deforestation: 130 countries, representing 90% of the world's forests, pledged to end deforestation by 2030. How will that be monitored? What steps will be taken if countries do not keep their word?

Alok Sharma: My hon. Friend raises a very important point. The 90% of forests that are covered by the pledge are also being backed by £14 billion of public and private funding, so there will be a mechanism for checks and balances. In addition, we agreed the transparency framework at COP26, so we will be able to see whether countries are meeting the commitments that they have made.

Mr Speaker: Before we come to Prime Minister's questions, I would like to point out that a British Sign Language interpretation of proceedings is available to watch on parliamentlive.tv.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [904473] **Bim Afolami** (Hitchin and Harpenden) (Con): If he will list his official engagements for Wednesday 1 December.

The Prime Minister (Boris Johnson): Today, I am wearing a purple tie in recognition of the International Day of People with Disabilities this coming Friday. In July, we published the UK's first national disability strategy to help to create a society that works for everybody.

I know that the thoughts of the whole House will be with those who are continuing to face disruption caused by Storm Arwen. My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy will update the House on the continuing response to Storm Arwen after Prime Minister's questions.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Bim Afolami: The Prime Minister and I have a shared commitment to protecting our natural environment and improving our biodiversity across the country. Indeed, that is why I am campaigning to extend the Chilterns area of outstanding natural beauty towards the south-west of Hitchin. Will my right hon. Friend set out how he plans to strengthen the protections for our countryside, while also ensuring that housing developments are both green and sustainable for the long term?

The Prime Minister: Yes, indeed. I can tell my hon. Friend that Natural England is considering an extension of the Chilterns area of outstanding natural beauty, and I am sure that it will listen to his passionate appeal very carefully.

Keir Starmer (Holborn and St Pancras) (Lab): May I join the Prime Minister in his words on disability and the victims of extreme weather? May I also mark World AIDS Day? Extraordinary advances mean that people living with HIV on effective treatment can now enjoy normal life expectancy and are no longer at risk of passing on the virus. It is within our hands to end new transmissions in the UK this decade. We must do so.

As millions of people were locked down last year, was a Christmas party thrown in Downing Street for dozens of people on 18 December?

The Prime Minister: What I can tell the right hon. and learned Gentleman is that all guidance was followed completely in No. 10. May I recommend that he does the same with his own Christmas party, which is advertised for 15 December and to which, unaccountably, he has failed to invite the deputy Leader of the Opposition?

Keir Starmer: Nice try, but that won't work. The defence seems to be that no rules were broken. Well, I have the rules that were in place at the time of the party. They are very clear that

"you must not have a work Christmas lunch or party".

Does the Prime Minister really expect the country to believe that while people were banned from seeing their loved ones at Christmas last year, it was fine for him and his friends to throw a boozy party in Downing Street?

The Prime Minister: I have said what I have said about No. 10 and the events of 12 months ago, but since the right hon. and learned Gentleman asks about what we are asking the country to do this year, which I think is a more relevant consideration, let me say that the important thing to do is not only to follow the guidance that we have set out but, when it comes to dealing with the omicron variant, to make sure that—as we have said, Mr Speaker—you wear a mask on public transport and in shops, and that you self-isolate if you come into contact with somebody who has omicron. Above all, what we are doing is strengthening our measures at the borders. But in particular, Mr Speaker—and I think that this is very valuable for everybody to hear—get your booster!

I know that the right hon. and learned Gentleman is eligible for his booster. I am not going to ask him, Mr Speaker, as I am forbidden to ask him questions, but I hope very much that he has had it.

Mr Speaker: I can tell the Prime Minister that I have had mine.

Keir Starmer: The Prime Minister says that we should concentrate on what he is asking the country to do. We are asking the country to follow the rules. The Prime Minister does not deny that there was a Downing Street Christmas party last year. He says that no rules were broken. Both those things cannot be true. He is taking the British public for fools.

As for following the rules, Prime Minister, it might be good just to look behind you when it comes to the question of masks. As ever, there is one rule for them and another rule for everybody else.

At the last election, the Prime Minister promised to build 40 new hospitals. It is on page 10 of his manifesto. With waiting lists so high, that is a very important commitment. The Cabinet Office and the Treasury have checked on progress, and it is reported that they have a reached a damning conclusion. I know that the Chancellor will have seen that. They have concluded that the project needs a "red flag" because it is unachievable. Prime Minister, is that true?

The Prime Minister: No. The right hon. and learned Gentleman plays politics and asks frivolous questions, but we are getting on with delivering on the people's priorities. We are making record investments in the NHS, on top of the £34 billion with which we began, and then the £97 billion that we put in to fight covid. We are helping to build another 40 new hospitals with an injection of £36 billion of investment, which that party voted against.

Keir Starmer: Well, this is strange, Mr Speaker, because the Government have not been denying the reports about the red flag and they have not done so since, but now the Prime Minister is. There is obviously some confusion on those Benches over whether the Cabinet Office and the Treasury think he is on course to break yet another promise, this time on the building of new hospitals. He can clear that up this afternoon. If he is so confident in his answer, why does he not publish the progress report in full and let us all see it?

The Prime Minister: What we are doing is not only building 40 new hospitals—and it is incredible that we have been able to keep going throughout the pandemic—*[Interruption.]* Yes, it is. We are not only building those hospitals, but making record investments in our NHS. We have more doctors and more nurses working in our NHS than at any time in the history of that magnificent organisation. Rather than running down what they are trying to do and casting doubt on their efforts, the right hon. and learned Gentleman should get behind them and, in particular, he should support our booster campaign.

Keir Starmer: Well, there we have it. The Prime Minister says, "I deny that my hospital building programme has been flagged red as unachievable, but I do not have the confidence to publish the report."

The more we look at this promise, the murkier it gets. I have a document here, which was sent to the NHS by the Department of Health and Social Care. It is called "New hospital programme communications playbook"—I kid you not—and it offers

"advice to make it easier to talk about the programme".

You might think that everyone knows what a new hospital is. I certainly thought I knew what a new hospital was before I read this guide, but it instructs everyone to describe refurbishments and alterations in existing hospitals as new hospitals. We can all agree that refurbishments are a very good thing, but they are not new hospitals. So how many of the 40 are fix-up jobs on existing hospitals and how many are actually the new hospitals that the Prime Minister promised?

The Prime Minister: You obviously do not always go around building on greenfield sites. You rebuild hospitals, and that is what we have said for the last two and a half years. It is the biggest programme of hospital building this country has ever undertaken. It has been made possible by this people's Government, and it is in addition to what we are doing with the community diagnostics hubs and in addition to what we are doing in investing in our NHS. I have said it once and I will say it again: the Opposition had the opportunity to vote for that £36 billion but they turned it down. We are getting on with the people's priorities; they are playing politics.

Keir Starmer: It is no wonder that so many Tory donors paid so much for that wallpaper last year—the Prime Minister probably told them he was building a new flat. It is the same old story from this Prime Minister, week in, week out: defending the indefensible, and broken promises. His mates were found to be corrupt; he tried to get them off the hook. Downing Street throws parties during lockdown; he says it is not a problem. He promised that there would be no tax rises, then he put up tax. He promised that there would be a rail revolution in the north, then he cancelled the trains. He promised that no one would have to sell their home for care, then along came his working-class dementia tax. He promised 40 new hospitals, but even if we count the paint jobs, his own watchdog says he cannot deliver it. Is it not the truth that any promises from this Prime Minister are not worth the manifesto paper they are written on?

The Prime Minister: The right hon. and learned Gentleman drivels on irrelevantly about wallpaper and parties, playing politics. By the way, I am told that when the Deputy Leader of the Opposition and shadow Secretary of State for the future of work was told that she was not invited, she denounced it as idiotic, childish and pathetic. They are getting on with factional infighting; we are delivering for the people of this country. Today, cutting tax for the lowest paid people in this country. As a result of our universal credit changes, 1.9 million families are getting £1,000 more in their pay packets this year. The biggest programme of rail infrastructure this century, with three new high-speed lines. And we are fixing social care. They have no plan whatever, and don't forget that their resort to absolutely every problem is either to take this country back into lockdown or to open up to uncontrolled immigration. That is their approach. We are delivering on the people's priorities, and we have more people in work now, as a result of the balanced and proportionate approach that we are taking, than we had before the pandemic began. If we had listened to Captain Hindsight, we would all still be in lockdown. That is the truth.

Hon. Members: More!

Mr Speaker: Order. I want to hear from Mr Rosindell even if you don't. Come on Andrew!

Q4. [904476] **Andrew Rosindell** (Romford) (Con): Thank you, Mr Speaker. The Prime Minister will know that we will not be able to stop the endless waves of illegal migrants crossing the English channel until we break free from the constraints of the European convention on human rights, which impedes our ability to tackle this tragic situation and protects even the most violent criminals from being deported. Does he agree that it is time to take back control and fulfil our 2015 manifesto commitment to get rid of Labour's Human Rights Act and bring in a British Bill of Rights?

The Prime Minister: We will certainly review the human rights system, but in the meantime there is something we can all do next Tuesday and Wednesday, because our Nationality and Borders Bill is coming back to the House after long gestation. The Bill gives us the power to make the distinction at last between illegal and legal migrants to this country, it gives Border Force the power to turn people back at sea, and it gives us the power to send people overseas for screening, rather than doing it in this country. I am not asking the Opposition but telling them: it would be a great thing if they backed our Nationality and Borders Bill and undermined the criminals.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I associate myself with the Prime Minister's remarks on disability, and of course our thoughts are very much with all those who are recovering from Storm Arwen. Like the Leader of the Opposition, of course we commemorate World AIDS Day.

Mr Speaker, I am sure your thoughts and the thoughts of the House are with the family and friends of Siobhan Cattigan, the Scotland rugby player who unfortunately died over the weekend at the age of 26, having won 19 caps.

It is deeply regrettable that, once again, we are forced to spend so much time in this House discussing the Prime Minister's misconduct, but when the person in charge so blatantly breaks the rules, it needs to be talked about. Last Christmas the Prime Minister hosted a packed party in Downing Street, an event that broke the lockdown rules that everyone else was expected to follow. He might deny it, but I spoke to the *Daily Mirror* this morning and it confirmed what happened. The newspaper has legal advice on the potential illegality. At a time when public health messaging is so vital, how are people possibly expected to trust the Prime Minister when he thinks it is one rule for him and another rule for everybody else?

The Prime Minister: The SNP should concentrate its line of attack more closely. I have said before that the right hon. Gentleman is talking total nonsense. Frankly, he would have been better off saying something about the victims of Storm Arwen in Scotland.

Ian Blackford: I did.

The Prime Minister: If I did not hear it, he was drowned out by his supporters. We need to work together—the Government of the UK working with the Scottish authorities—to help those people get their power back, and that is what we are doing.

Ian Blackford: That is a disgraceful answer. The Prime Minister did not even listen, because I mentioned Storm Arwen.

The real reason why all this matters is that we find ourselves at another very difficult moment in this pandemic. This is a time when leadership matters, when truth matters and when trust matters. Only this morning, leaked SAGE advice confirmed that the UK Government's current international travel restrictions will identify significantly fewer cases. It is exactly the same advice that the Prime Minister received from the First Ministers of Scotland and Wales on Monday, and he has ignored that advice.

Since then other countries, like Ireland and the US, have moved rapidly on international travel to protect their people. Will the Prime Minister finally convene a four-nation Cobra meeting to tighten travel restrictions, or will he continue to ignore the Scottish Government, the Welsh Government and his own SAGE advisers and imperil the health of the public of these islands?

The Prime Minister: Of course we want to work closely with the right hon. Gentleman. There will be abundant opportunities today and in the weeks ahead to concert our activity, but he is simply wrong in what he says about the steps the Government have taken to prevent the seeding of this variant from abroad. This country was actually the first to respond to the 10 countries that are most likely to seed the new omicron variant in this country. We put them on the red list, so people not only have pre-departure tests but they are quarantined. He is not right in what he says, and every other country in the world—*[Interruption.]* I do not mind if the right hon. Gentleman shouts. I tell him very calmly and quietly that 100% of passengers arriving from every other country in the world must take a PCR test, and they cannot get out of quarantine unless they test negative. Those balanced and proportionate measures are designed to protect the British people from the omicron variant, and that is the right approach to take.

Q5. [904477] **John Penrose** (Weston-super-Mare) (Con): Britain has some of the most unaffordable childcare in the developed world, which reduces opportunities for working families, particularly single parents, deepens gender pay gaps and makes levelling up much harder. Will the Prime Minister meet me to discuss the proposal in my just-published policy paper "Poverty Trapped" for an immediate review to design out these internationally uncompetitive costs, while still delivering a safe and enriching level of care for our children too?

The Prime Minister: I thank my hon. Friend for that. He is completely right about the importance of childcare and the transformative influence it can have, which is why we have spent £3.5 billion in each of the past three years on free childcare entitlements, particularly for the most disadvantaged. I am always happy to meet him and to discuss his ideas further.

Ed Davey (Kingston and Surbiton) (LD): Farmers across our country are crucial to our nation's prosperity, as has been shown, once again through the pandemic, but many are now on the brink. Farmers across the country, in villages such as Hodnet, Baschurch and Woodseaves and countless others, are about to see their payments cut by at least 5%, starting this very month. The Prime Minister promised a new support system, rewarding more sustainable farming, but in the meantime he seems prepared to see many British farms go bankrupt. There is an easy solution: stop cutting the current system's essential payments until the new scheme is fully rolled out. Will the Prime Minister do that, and help our struggling farmers before it is too late?

The Prime Minister: British food and farming does an absolutely outstanding job, and it is growing the whole time. Last night, I met representatives of the UK food and farming industry, which we support and continue to support with the same level of payments. But what we are also doing is opening up new opportunities for them around the world. I can tell the right hon. Gentleman that in every single embassy there is now a dedicated expert on supporting UK food and farming exports to the rest of the world, which support 4 million jobs in this country and earn this country £21 billion of revenue.

Q6. [904478] **Damian Collins** (Folkestone and Hythe) (Con): More needs to be done to tackle the people trafficking gangs that exploit migrants across Europe, promising to get them to this country. Does the Prime Minister agree that it is totally unacceptable that companies such as Facebook allow those smugglers to offer their services on their platforms—not only routes into the country, but the sale of forged British papers in order to aid their access? Does he agree that when this House passes the Online Safety Bill we will have the power to do more to make companies such as Facebook take down content that promotes illegal activity?

The Prime Minister: I thank my hon. Friend for that. He is absolutely right to say that too many of these gangs are using social media, which is why the online harms Bill is so important. It will indeed be of assistance to us in taking down that kind of material.

Q2. [904474] **Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): Women have been left with internal damage and pain that they describe as being like "razor blades inside them". Many have lost their careers and some have even lost their lives. It is impossible to know exactly how many women are left suffering. So why will the Prime Minister not give these mesh-damaged women the redress that they were recommended in the Cumberlege report?

The Prime Minister: I am very grateful to the hon. Lady, who raises an extremely important issue about a phenomenon that I know has caused huge distress to many, many women in this country. We published the Cumberlege report, and if there is anything more we can do, I am certainly willing to look at it. I am grateful to the hon. Lady for raising this.

Q8. [904480] **Brendan Clarke-Smith** (Bassetlaw) (Con): The levelling-up agenda has already changed so many areas of our country for the better. In my constituency, our town centre in Worksop is in desperate need of regeneration and of finally solving our flooding problems. Unfortunately, my council in Bassetlaw missed the deadline for the latest round of grants. What can this Government do to help support areas such as mine, which have struggled with their bids, in order to make sure they are successful the next time around?

The Prime Minister: Step No. 1 is to vote out those dozy Labour councillors. I thank my hon. Friend for his excellent representation of Bassetlaw and can tell him that the second round of bidding for the levelling-up fund will open in spring next year.

Q3. [904475] **Colleen Fletcher** (Coventry North East) (Lab): Between 2010 and 2019, West Midlands police lost 2,221 officers. The force should receive an additional 1,200 new recruits by 2023 via the police uplift programme, but that will still leave a shortfall of 1,000 officers. This lack of frontline police has left the force stretched and under significant pressure, with officers telling me that

"there are simply insufficient resources to investigate every crime."

Will the Prime Minister commit to providing West Midlands police with a fairer funding deal to ensure that the force can return officer numbers to 2010 levels?

The Prime Minister: I thank the police officers in the west midlands, and I thank the hon. Lady for drawing attention to what we are doing to increase the number of police officers—*[Interruption.]* No, we are on track: of the 20,000 that I pledged on the steps of Downing Street two and a half years ago, we have already recruited another 11,000. I am proud to say that our police officer workforce is more representative of the whole of this country, with more women and more people from ethnic minorities, than ever before.

Q9. [904481] **Mr David Jones** (Clwyd West) (Con): Last week, the Chief Minister of Gibraltar, the hon. Fabian Picardo, appeared before the European Scrutiny Committee and gave evidence about the continuing negotiations between Gibraltar and the European Union on their future relationship. The Chief Minister made it clear in his evidence that his ambition was that Gibraltar's future should be "British, British, British". Will my right hon. Friend say what the Government are doing to support the Chief Minister to achieve that aim and, in particular, to exclude any role for the European Court of Justice?

The Prime Minister: Frankly, I cannot really improve on the verdict of my friend Fabian Picardo, the Chief Minister of Gibraltar: Gibraltar is British, British, British and will remain so. By the way, I see no future role for the European Court of Justice.

Q7. [904479] **Christine Jardine** (Edinburgh West) (LD): My constituency of Edinburgh West has some of the most polluted streets in our country. An estimated one in 29 deaths in Edinburgh is related to air pollution and we do not meet World Health Organisation guidelines, so will the Prime Minister meet me to discuss whether his Government can support my private Member's Bill, which would tackle the issue, bring us into line and let us all breathe a little easier?

The Prime Minister: I thank the hon. Lady for raising that issue; it is incredibly important, which is why we are now moving to all-out electric vehicles across the whole of the country, faster than any other European country. The World Health Organisation has praised our clean air strategy as an example for the rest of the world to follow. We will set out our evidence-based approach and the targets we are setting, but I would of course be happy to make sure that the hon. Lady meets the relevant Minister to set out her case.

Q11. [904483] **Mr David Davis** (Haltemprice and Howden) (Con): Last month, the drug company Pfizer announced the successful trial of a new treatment called Paxlovid. The trial showed the drug to be roughly 90% successful, or better, at stopping death. Our current vaccine strategy is an enormous success, but it leads to a never-ending biological arms race against the mutating virus. As a supplement to a vaccine strategy, this treatment will allow Governments around the world to avoid the need for future emergency restrictions. What are the Government doing in the short term to secure supplies of this revolutionary treatment and in the long-term to enable the building of factories to produce it in Britain?

The Prime Minister: My right hon. Friend is spot on. The roll-out of Paxlovid in the NHS will of course depend on its approval by the Medicines and Healthcare products Regulatory Agency, but the Government have, as a precaution, already invested in hundreds of thousands of courses of the drug.

Q10. [904482] **Jessica Morden** (Newport East) (Lab): Wales has 11% of the UK rail network, yet receives only 2% of UK rail enhancement funding and, as reported on WalesOnline, will be denied billions of consequential funding from HS2. Having under-delivered on rail in the north, and having under-delivered on rail in Wales, why should anyone trust this Government to deliver on their promises?

The Prime Minister: I am afraid that she has completely failed to look at what Sir Peter Hendy set out in his Union connectivity review. It is a fantastic agenda for change and improvement, particularly in Wales and particularly on the north Welsh corridor where the railway links deserve to be improved and will be improved under this Government.

Q13. [904485] **Tom Randall** (Gedling) (Con): Getting investment into Gedling is important. At a previous PMQs, I put aside my political differences with Labour-run Gedling Borough Council to champion its levelling-up fund bid, which, like other funding bids that it has made was sadly unsuccessful. Does my right hon. Friend agree that it is important that councils such as Gedling now take stock and learn from this experience and will he confirm that help from Government will be available to do that so that, in future, hopefully Gedling and other councils will be able to make more successful bids.

The Prime Minister: Yes, of course, we are very happy to help Gedling and other Labour-run councils to get their act together where necessary and to put in those bids. Just to remind my hon. Friend, more levelling-up fund bids come due in the spring of next year, and I wish Gedling well in its future bids.

Q12. [904484] **Imran Hussain** (Bradford East) (Lab): My grandfather, along with thousands of others, came to this country 70 years ago, working seven days a week in squalid conditions to help rebuild this country. Now, the Home Secretary's Nationality and Borders Bill means that she can revoke our British citizenship and deport us for even the most minor wrongdoings. Given the horrific track record of the Government and the Home Office, with their treatment of minorities, the hostile environment and the Windrush scandal, let me ask the Prime Minister the burning question that is now on the lips of everyone from a black, Asian and minority ethnic background right across the country, "When is he coming for me?"

The Prime Minister: The hon. Gentleman should look at the Conservative Front Bench today, and he should withdraw what he has just said—he should withdraw it. What he said was absolutely shameful, and, as he knows full well, the Nationality and Borders Bill does nothing of the kind. It helps us to fight the evil gangs who are predating on people's willingness to cross the channel in unseaworthy boats and I would have thought that a sensible Labour party would support it.

Q14. [904486] **Gareth Davies** (Grantham and Stamford) (Con): This Saturday is Small Business Saturday. I am proud to represent some fantastic local businesses, such as Kays of Grantham, the Stamford Notebook Company and the Bourne Bookshop. This Government have provided unprecedented support throughout the pandemic. Can the Prime Minister assure me that his commitment to our high streets will continue long into the future?

The Prime Minister: I thank my hon. Friend for all the support that he gives to Grantham and Stamford. I can tell him that Small Business Saturday is receiving huge support from the Government. We had a kind of festival last night to celebrate it in Downing Street. I encourage everybody to get out this Saturday—safely with their mask on, Mr Speaker, when they are in a shop, but that should be no inhibition on people buying in their shops up and down this country.

Mr Speaker: Final question, Ian Byrne.

Q15. [904487] **Ian Byrne** (Liverpool, West Derby) (Lab): Next week, the 97th victim of the Hillsborough tragedy will receive the Freedom of Liverpool. Andrew Devine passed away earlier this year, aged 55, having defied the odds to survive the injuries that he sustained at Hillsborough aged 22. A coroner's inquest in Liverpool in July ruled that he was unlawfully killed as a result of the disaster, making him the 97th victim. Following my tabling last week of early-day motion 649 on Hillsborough and the national curriculum, will the Prime Minister agree to meet me to discuss the roll-out of the Hillsborough real truth legacy project, including the addition of the Hillsborough disaster to the national curriculum and help to consign to history the narrative of lies and smears peddled by some elements of the media and the establishment over the past 32 years through the power of education?

The Prime Minister: I thank the hon. Gentleman for the powerful point that he has just made. Even though 32 years have passed since that devastating tragedy, I know that the wounds remain very raw in Liverpool. The Government are committed, as he knows, to continuing engagement with the bereaved families, and to ensuring that the lessons from that tragedy continue to be properly learned and that the victims of Hillsborough are never forgotten. I am happy to ensure that the hon. Gentleman meets the relevant Minister to take forward an agenda that I think is shared by people up and down the country.

Mr Speaker: We now come to the statements. Will those who wish to leave please do so quickly and quietly?

Storm Arwen

12.35 pm

The Secretary of State for Business, Energy and Industrial Strategy (Kwasi Kwarteng): With permission, Mr Speaker, I would like to make a statement on the electricity disruptions as a result of Storm Arwen and how we are working to ensure that power is restored to people's homes.

Storm Arwen brought severe weather, including high winds of up to 100 mph, rain, snow and ice, causing the most severe disruption since 2005. Many people across the country, but particularly in northern England and Scotland, have been without power for a number of days. Three people have tragically lost their lives in incidents related to the storm. My thoughts—and, I am sure, the thoughts of the whole House—are with those people and their loved ones.

I want to reassure people who are still without power—who are exhausted, worried and angry—that we are all working incredibly hard to ensure that normal conditions return. We have incredibly dedicated teams of engineers, who have been working around the clock to restore the network. The scale of the restoration effort that engineers are facing is enormous. The weekend saw exceptionally strong winds of almost 100 mph, which brought large trees and debris down on to power lines. For example, central Scotland has only seen wind speeds like this twice in the last 25 years. Of course, to add to the complex situation, much of the damage is in remote and hard-to-reach places.

I am glad to say that more than 95% of those affected by the storm—over 935,000 customers—have had their power supply restored so far; I thank the engineers for their hard work and perseverance. However, as of 8 o'clock this morning, there were still 30,000 customers without power. The specific areas most severely affected are: Wear valley surrounding Eastgate and north Northumberland; the north Peak District and the South Lakes areas; and Aberdeenshire and Perthshire in Scotland.

Today, the Minister of State, Department for Business, Energy and Industrial Strategy, my right hon. Friend the Member for Chelsea and Fulham (Greg Hands), is on the ground in Berwick to see at first hand the impact from storm disruption. Yesterday, I spoke with the chief executive officers of Northern Powergrid, Electricity North West, and Scottish and Southern Electricity Networks to seek assurance that restoration is happening as fast as is humanly possible. I am satisfied that these operators are sharing their resources through mutual aid agreements, and putting engineers in the worst affected areas.

I am also grateful to emergency responders, who have been working hard to keep people as comfortable as possible by providing torches, blankets and other necessities, and sorting out alternative accommodation where necessary. Officials in my Department are monitoring the situation closely and are in constant contact with network operators to ensure that customers can be reconnected as quickly as possible.

People who are still experiencing issues or who need further support should contact their electricity network operator by dialling 105 from their landline or mobile phone. This will automatically route them to the right operator, based on their physical location. People are also eligible for compensation on which they can find details on the Ofgem website.

For those who continue to be without power, I know their primary question will be "When will power be restored?" I have been assured that the overwhelming majority of those still without power today will have it restored in the next day or two. I have asked operators to provide named contacts for MPs and I will be sharing those with colleagues.

This has been an extremely difficult week for many of our constituents, and I thank them for their fortitude in the face of these extreme weather conditions. When the power is back up and back to normal, we in BEIS will of course be looking at the lessons that we can learn from Storm Arwen in order to build an even more resilient power system in future.

12.40 pm

Edward Miliband (Doncaster North) (Lab): I thank the Secretary of State for his statement. Let me first join him in sending my condolences to the victims who have tragically died during Storm Arwen and to their families. I express my sympathy to all those who have lost power and are suffering during this crisis. I know from my own constituency, where we had terrible flooding in 2019, the impacts of extreme weather and the traumatic effects it has on people and communities. I also join him in paying tribute to the many engineers, volunteers and emergency service workers who have worked tirelessly to step up and help during this crisis.

We have heard heartbreaking stories of outages leaving residents without power, water and light. There are also many reports that the Secretary of State will have heard of residents being unable to get proper information about what is happening and waiting for hours to get through on phone lines. On behalf of the many who have suffered, I want to ask him a few questions. Does he believe that there is enough support for the most vulnerable on the ground while the power outages continue, including the use of emergency generators, and has he given thought to calling in the Army if necessary to help with that process? He said that power would be restored "in the next day or two" for the overwhelming majority. Can he say how many people he estimates will be left without power and how long it will take to restore power for them?

After terrible storms in 2013—the stormiest winter in 40 years that saw hundreds of thousands lose their power—it was said that lessons would be learned, and I want to probe the Secretary of State a little further on three areas in that regard. First, on communications and information, the Science and Technology Committee recommended that the single national emergency number was put in place. The purpose of that number was that people would not just know who to call but could get information promptly. On the calling of 105, which he mentioned, there are multiple reports of it causing enormous frustration to people who are not getting the information. What is his assessment of whether people have been able to get the information, and if not, why not?

Secondly—the Secretary of State drew attention to this—Ofgem recommended in the wake of those storms that district network operators should share resources and personnel in the event of such a crisis. He said that that has happened, but is he satisfied that it has happened right across the DNO network, and at the scale that is required? Can he give us some further information on that?

[Edward Miliband]

Thirdly, after 2015 there was a clear sense of the vulnerabilities of the overhead power network, and agreement that the networks would survey the vulnerabilities that they faced and act. Is the Secretary of State satisfied, at this stage, that that has happened, because the continued vulnerability of power lines seems all too apparent?

Faced with the climate crisis, extreme weather events will sadly become all the more common in future. We cannot be this vulnerable in future. There is real concern that some lessons have not been learned, and on this occasion we must face up to those lessons and learn them.

Kwasi Kwarteng: On the situation with regard to the climate change emergency, the right hon. Gentleman and I have very similar views. Clearly Storm Arwen was an event the likes of which we have not seen for, certainly, 16 years, since the records of the DNOs started. We have to be prepared for similarly extreme difficult weather conditions in future and make sure that our system is resilient in that eventuality.

Turning to the right hon. Gentleman's specific questions, the 105 line is the one number that people are being asked to call; it has been centralised. He is right to say that there was initial pressure. My understanding is that over the weekend, it took people up to two hours to get through, which is clearly unacceptable, but the storm hit and the companies did not have the communication networks, the call centres or the people there to deal with the situation. When I spoke to the CEOs of the companies yesterday, they said that the waiting time has been reduced to 10 minutes to a quarter of an hour. That is what I was told. If people are finding difficulties, they should definitely get in touch with their MPs, Government and also the distributors.

On the right hon. Gentleman's second point, the North East South West Area Consortium is a very effective means by which the generating companies can share and deploy engineers across different networks. That is very effective, I am told by the CEOs of the companies, but I will have more calls today with local resilience leaders to ensure that what the generating companies are saying is matched by what people are experiencing on the ground, because, as he well knows, there can be a mismatch between the two.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): May I echo the words of my right hon. Friend in thanking all those in our emergency services and the local authority workers who went out over the weekend and have been doing so much to support our communities across the United Kingdom that have been affected? I also thank the people in local businesses who have opened their doors to look after those people who are more vulnerable and need support, such as the Fife Arms in Braemar, where temperatures dropped below zero over the weekend and people lost power and water. Lumphanan, Crathie and Corgarff in my constituency remain without power and do not even have access to a temporary generator. Can he expand on his discussions with Scottish and Southern Electricity Networks? What discussions has he had with the Scottish Government to see what the two Governments in this country might be able to do to speed up the response and support those people who are going to their fifth day without any power, heating or electricity in general?

Kwasi Kwarteng: My hon. Friend will accept that we are in an extreme situation. He will also know that I have spoken to Mr Alistair Phillips-Davies, who is the head of SSE. He and I and colleagues in the Scottish Government are apprised of the situation. Generators are being distributed that can take up the slack when important power infrastructure is down, but it is an ongoing situation and I would be happy to engage with my hon. Friend in the next few hours.

Dave Doogan (Angus) (SNP): I thank the Minister for advance sight of his statement. This storm was of incredible strength when it hit us on Friday night, with the north-eastern parts of Scotland and England being especially in the full face of the gale. SSE's storm models predicted between 60 and 100 high-voltage faults. In fact, it has sustained more than 500 high-voltage faults, with more than 1,000 instances of damage to its network. Sustained winds with gusts in excess of 90 mph were, unusually, from the north-east, affecting trees that do not normally have to yield to those winds. It has resulted in colossal tree damage to the network.

I wish to pay tribute to the fortitude and resolve of the many people facing severe hardship on day five without power, some of whom will not get it back today or tomorrow. It is a tremendous disruption to how we live today, and they are to be in our thoughts at this very challenging time for them. Indeed, as of 9 pm last night, 9,500 customers remained cut off from their supply, including 5,700 in Aberdeen and Aberdeenshire, 1,500 in Moray, 1,400 in my Angus constituency and 570 in Perthshire. This enduring lack of power would test anyone's resolve, yet it is telling that people remain mindful of the extraordinary efforts of the engineers and support staff of SSE and its industry partners to restore supplies, and power has been restored to more than 118,000 customers. The UK Government have, I understand, said that they are

"on standby to provide further assistance to the Scottish Government",

but like the Deputy First Minister in Scotland, I am a little sceptical as to what that is. I would be grateful if the Minister elaborated on what that assistance would be. If it is financial assistance, is it new money or recycled money?

I was in touch with SSE again this morning, and it has assured me that it has engineers from across its network working in the north-east to repair supplies and also engineers from other networks sharing distribution network operator resources. That enormous recovery effort is hampered by the prolonged scale of the damage, which is compounded by the locations of the damage and the types of equipment that have been damaged. I place on record my thanks to the engineers working in all weathers to restore power supplies to Angus, to the council and to other members of the local resilience partnership who have done so much to help to restore supplies and in humanitarian welfare provision.

Kwasi Kwarteng: I welcome the hon. Gentleman's remarks and pay tribute, as he does, not only to the fortitude of many of his constituents and other people in Scotland, but to the tireless efforts of the engineers, the voluntary staff and the DNO in this instance, SSE,

in trying to deal with an unprecedented situation, as he recognised. He was right to point out that it was not only the high velocity but the direction of the winds that posed a huge challenge.

As the hon. Gentleman knows, I speak to counterparts across the border in the devolved Administration frequently; in fact, I was on a panel with the Cabinet Secretary yesterday and it is something that we are talking about all the time. We have not specified the amount of money, if there will be any. I do not think we have reached that conversation, but we are in constant dialogue with his colleagues in Holyrood.

Dr Neil Hudson (Penrith and The Border) (Con): In my constituency and further afield, areas such as Alston, Garrigill, Nenthead, Kirkby Stephen, Matterdale and North Stainmore have been hard-hit by the power crisis. Some of those areas have had their power restored, but others are still without power. Will my right hon. Friend join me in thanking the engineers at Electricity North West, the emergency services, councils and volunteers who have been working so hard? Can he assure my constituents and people further afield that everything is being done across Government to support them, to help to restore power and to put in place contingency measures?

Kwasi Kwarteng: My hon. Friend will know that this is a matter of grave concern and focus for the Government. He will also appreciate that Electricity North West has done a reasonable job in restoring power to 95% of people affected, but clearly we want to work harder to make sure that those 6,000 or 7,000 people who are still off the grid can get their power back as soon as possible.

Tim Farron (Westmorland and Lonsdale) (LD): I, too, send my condolences and pay my respects to those who have lost their life in such awful circumstances, in particular to the family of the man who passed away in Ambleside on Friday. At least 7,000 homes in my constituency have been without power for between three and five nights. I am immensely proud of the way that people in our community have stood up to support one another and their neighbours—they know who they are. I am also grateful to those working on the ground for Electricity North West to try to fix the problem as soon as possible.

In my communities and elsewhere in Cumbria, thousands are still without power. They feel forgotten, but they have not been, I hope, by many hon. Members here. Places such as Killington, Garsdale, parts of Coniston, Orrest Head, Ayside, High Newton, Low Newton, Witherslack, Hincaster, Lambrigg, Bowston, Hutton Roof, Crook, Outgate, Haverthwaite, Spark Bridge, Backbarrow, the outskirts of Windermere and others are facing a sixth night without power. Some people are being told that their connection will not be fixed until 8 December—this time next week.

The hardship caused, particularly to the elderly and other vulnerable people is unthinkable, which is why it is massively disappointing that it took until Wednesday for a Minister to come to the House to address the issue. It is not too late for the Government to act, however, so I ask the Secretary of State to task the Army to provide support to the engineers on the ground in Cumbria to speed up fixing the problem; to then use the Army to ensure that the most vulnerable are contacted and moved to emergency accommodation today; and to ensure that every affected community in Cumbria is given generators to provide at least a temporary fix today so that no one has to spend a sixth night in the cold.

Kwasi Kwarteng: We are contacting local resilience forums, listening to them and getting guidance from them as to how best to tackle the situation on the ground. The hon. Gentleman will appreciate that Electricity North West has already provided 150 generators. We will task it to see what more can be done to alleviate the extreme stress and challenging situation that many of his constituents face.

Mr Richard Holden (North West Durham) (Con): I thank the Secretary of State for his statement. Storm Arwen has left thousands of my constituents without power for several days. It has been heartening to see how people in my local towns and villages have come together, particularly in Upper Weardale, Eastgate, St John's Chapel, Quebec, Wilks Hill and Maiden Law. I also have a secondary school that is still without power, so several hundred children are not getting the education that they need.

I am delighted that the Energy Minister, my right hon. Friend the Member for Chelsea and Fulham (Greg Hands), is in North West Durham today. I thank him for his visit and for what he is doing there. He has contacted several local businesses on my behalf.

I will raise a couple of things with the Secretary of State. First, one of my rural surgeries has lost £10,000-worth of flu vaccines due to the electricity going down and the fridges going off, which will affect its ability to roll that out. Can he speak to the Department of Health and Social Care to ensure that the supply is reimbursed as quickly as possible? Secondly, some isolated communities have been told that it may be a long time before they can get full electricity. Will he do everything possible to ensure that they are reconnected well before Christmas? Finally, can he ensure that the Government respond positively to any request from the local resilience forum, including sending in the Army if necessary?

Kwasi Kwarteng: My hon. Friend will know that I am keen to engage with local resilience fora and hear from them what is the best way to proceed. He will also appreciate that we are incredibly conscious of the ramifying effects of the storm, particularly in regard to health and education. He knows that I am taking that up within Government. I take the point about isolated communities extremely seriously and I will be looking at that on a daily basis. I will say publicly that being without power until Christmas is simply unacceptable and I will do everything I can to make sure that that does not happen.

Liz Twist (Blaydon) (Lab): I thank the Secretary of State for the statement, but in my constituency, pockets of people remain without energy, including in Ryton, Blaydon, Wylam—the part that is in my constituency—Victoria Garesfield, Coalburns and Byermoor. Six days on, all those places are still without energy and people are anxious and finding it extremely difficult to get through to find out information. Will he assure me that Members of Parliament will have direct lines and contacts so that we can get detailed information to tell our constituents? I thank the workers who have been out there in all weathers trying to reconnect people.

Kwasi Kwarteng: The hon. Lady is right to point out that there needs to be a way for right hon. and hon. Members to engage with DNOs and constituents, and I will look into that. I picked up on precisely the point about communications with the CEO of Northern Powergrid, the DNO relevant to her constituency, and he said that, having had a slow start at the weekend because the situation was completely unprecedented, they are working very hard to make sure that communications are effective. I reinforce the point that I made to my hon. Friend the Member for North West Durham (Mr Holden) that we will do everything we can to make sure that the generating of electricity happens long before the dates that are being bandied about for when they should be up and running.

Robert Largan (High Peak) (Con): I thank the Secretary of State for the statement and for meeting me yesterday to discuss the situation in High Peak where thousands of homes have been left without power since the weekend, including in places such as Buxton, Chapel-en-le-Frith, Wash, Bagshaw, Sparrowpit, Wormhill, Peak Forest, Chinley, Hayfield and more. I put on record my thanks to the engineers at Electricity North West, as well as to Derbyshire County Council, the local resilience forum, the emergency services and our amazing mountain rescue teams for working to not just reconnect power but help the most vulnerable who have been affected. Unfortunately, some homes are experiencing their fifth day without power. I ask him to commit the Government to do whatever is needed and to provide whatever resources the local resilience forum requests to get power back to everyone in the High Peak.

Kwasi Kwarteng: As I have said to a number of hon. Members today, we are absolutely committed to getting power back. I need to reiterate that 95% of people who were affected now have their power back, but if someone is part of the 5% still without power, that is clearly no solace and will not help them in that situation. It is absolutely incumbent on me and my Department to make sure that we do whatever we can to resolve it.

Grahame Morris (Easington) (Lab): I also acknowledge the heroic efforts of the engineers and emergency workers in seeking to restore power, and of the communities, businesses and residents across my constituency who have stepped up to support the elderly, local care homes and vulnerable people who have been left without power for five days. However, the Secretary of State has some important questions to answer. When the Met Office issued a red weather warning that there was a danger to life, what steps did he take to move basic resources, bottled water, emergency generators, fuel and blankets to the affected areas? What arrangements were made to consider the deployment of the Army—the Royal Engineers—to identify alternative accommodation and establish community reception hubs for those, particularly elderly people, left without power and in need of support? From where I am and my constituents are, the performance has been lamentable. There has been a complete lack of planning and foresight. I am sure that the whole House would welcome answers to those questions.

Kwasi Kwarteng: I do not accept the hon. Gentleman's characterisation of where we are. He will appreciate that, over many years, we have had local resilience fora, which have acted incredibly speedily and with incredible dedication. They are precisely the organisations that know what the situation is on the ground, and I and my Department have been engaging with the people involved. They are responding extremely effectively to this difficult situation.

Simon Fell (Barrow and Furness) (Con): Storm Arwen hit my constituency, like many others, very hard. Thousands of homes were left without electricity. Thankfully, that is now down to the hundreds, but those people are facing their fifth night without power. I reiterate requests for the Minister to listen to any calls from the local resilience forums to step up Government support.

On lessons learned, so many of my constituents have come to me feeling really dismayed by the fact that they are being pushed online to get information about what is happening and where support is coming from. However, if people do not have power or broadband, they simply cannot access those services. When the Government look at this, can we make sure that we look at how best to communicate with people who have no access to regular communications channels?

Kwasi Kwarteng: The communication point is fundamental. I have spoken to the CEOs of the DNOs and I am speaking to the local resilience fora; we are absolutely committed to having much, much easier and more fluent channels of communication in future. My hon. Friend will appreciate that this issue will not go away. There will be other incidents, and he is right to stress that we need a more resilient system.

Ian Lavery (Wansbeck) (Lab): This storm was catastrophic; it had a devastating impact, with destruction right across my constituency and in Northumberland as a whole. This is about not just the power, but the destruction of properties, allotments and houses across the piece. People are looking towards some form of financial support from the Government, because this impacts on many people who have not got two ha'pennies to rub together. They will need specific, targeted Government support.

First, I ask the shadow Secretary—sorry, the Secretary of State; I nearly demoted him there—to consider what extra support can be given. Secondly, on isolation and communication, I have in my constituency an old people's home that lost its electricity at 2 o'clock on Saturday morning and had it restored on Monday afternoon. In between, the lack of communication was unbelievable. Two people in that home were aged 100 years-plus. There were a lot of people with dementia who were frightened and who could not be moved because it would mean extra confusion. This is not acceptable. Will he look at what measures the Government can put in place to make sure that this does not happen again? Communications are very important.

Just before I sign off, I add what a brilliant job Northern Powergrid, its workforce, the engineers, the volunteers in the towns and villages and the council workers are all doing, pulling together to try to ease the effect of Storm Arwen.

Kwasi Kwarteng: The hon. Gentleman is quite right: Northern Powergrid is working very hard to make sure that people get their electricity back. As I said, 95% of the people affected have got the power back. There was an issue with communication on the weekend, I am sad

to say. There was a huge surge in demand and not enough infrastructure—there were not enough people in the call centres—to deal with the situation. We will look into that. As Members from the south-east will remember—although there are not many of them in the Chamber today—we had a power outage on 9 August and we did manage to create a more resilient system. I am absolutely determined that this time we will have a more resilient system on the back of these tragic events.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): Thousands of my constituents across the Scottish Borders remain without power today after the catastrophic storm at the weekend. I felt the full force of that storm at home in Coldstream on Friday and Saturday. Many old and vulnerable residents have no power and that has been the case for five days. Like others, I pay tribute to the engineers and council workers who have worked so hard to get people connected, but serious questions remain about the failure of ScottishPower Energy Networks to provide accurate information to residents about reconnection times. There are also questions about the support that the Scottish Government provided to local councils across Scotland. What discussions have the UK Government had with ScottishPower Energy Networks and the Scottish Government about the response to the storm, and what more can be done to support my constituents in the Scottish Borders to get them reconnected?

Kwasi Kwarteng: As I said, I spoke to three CEOs of the DNOs. The CEO of ScottishPower was not one of those I spoke to, but I am very hopeful that we can get a call today, and I am looking forward to sharing with my hon. Friend exactly what that distributor is doing.

Mary Kelly Foy (City of Durham) (Lab): Some of my constituents in places such as Sherburn Hill, Waterhouses, Bearpark and Low Burnhall are facing a full seven days without heating or electricity. This is a national scandal. I thank the emergency services, the workers, the engineers and all the community groups who have stepped up to help those most in need, but what are the Government doing to help the most vulnerable residents in Durham to get the help that they need—not tomorrow, not next week, but today?

Kwasi Kwarteng: As I said in a number of responses, we are working with the local resilience fora. The job of the local resilience forum, in the first instance, is to find out what is going on and to co-ordinate local responses, and then, of course, the Government are very focused on helping them to get what they need to make the situation much more comfortable than it is.

Dehenna Davison (Bishop Auckland) (Con): We have all seen the photographs of the devastation caused by Storm Arwen and experienced it for ourselves—it is absolutely atrocious. When I was speaking to someone from Northern Powergrid a few days ago, they said that it is the worst damage in living memory. I pay tribute to Northern Powergrid, its engineers and all the local authority workers for all their hard work in trying to get this awful damage fixed.

I also thank the Secretary of State for his statement and for the numerous calls and meetings that we have had this week to discuss the damage and what more can be done to support some of the residents who are still without power. In my constituency, unfortunately, the number is still in the thousands. Place such as Langdon Beck, Evenwood and Middleton-in-Teesdale still face an absolute loss of power. However, in times like these, we see the best in our communities as well, with businesses such as Babul's and Chocolate Fayre providing support to individuals still affected. Support has also been provided by individuals such as Tommy Lowther, Judith Buckle, Kimberley Clarke and others, including Paul Hedley, who responded instantly to calls to provide a generator—it had been sitting in his garage.

I really want the Secretary of State to address that point about emergency generators. After five days of no power, no heating and no light, the smallest things, such as a single lightbulb, a kettle to boil some hot water, a small heater and a little bit of phone charge, can make such a difference to people. What more can the Government, local resilience forums, local authorities and local charities do to work together to find out where these generators are and to get them deployed to some of these communities who could be facing disruption for days, if not weeks?

Kwasi Kwarteng: I thank my hon. Friend for the tireless work that she and other Members, on both sides of the House, have put in to make sure that their constituents are being well represented and to tell us what exactly it is like on the ground. That is how this House of Commons should work and I am very proud of that.

My hon. Friend will know that we are talking with the local resilience fora about generators. The companies—in her case, Northern Powergrid—are making an effort to get generators out to affected communities, and I am getting a regular update on what has been happening in that respect. I am very happy to speak to her, as I am to other Members, about this emergency.

Richard Thomson (Gordon) (SNP): Like other Members, could I add my own thanks for the resilience and fortitude of those who have been left without power for so long and the dedication of the engineers who have been getting them back on grid? I also thank everyone involved in the volunteer response and in the local resilience partnerships.

While the priority has to be about getting those who remain off-grid back on to an electrical supply and supporting those who are not on-grid at the moment as best we can, there will at some point be an examination of how things could have been done better. There is an issue about the resilience of our communication infrastructure as well as our power infrastructure, because broadband went down and mobile phone networks went down, which hindered in many respects, the ability of people to respond. Will the Secretary of State consider, as part of that, looking at the obligations placed upon not just power distribution companies, but telecommunications providers to provide a more secure and robust service in all circumstances, no matter how adverse they might be?

Kwasi Kwarteng: I wholeheartedly agree with what the hon. Gentleman has just said. It is very easy for us simply to come up with a statement and then hope that the problem goes away, but I have made a firm commitment, as we did, as I have said, on 9 August 2019, when there was a power outage and we spent a couple of months, if not longer, having a proper inquiry as to what went wrong. I am confident that a lot of the measures that we

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came up with then did provide resilience. It is exactly in that vein that I want to approach this very difficult situation. It will not be the case that we will simply walk away from it; we will be trying actively to learn lessons. We cannot abolish extreme weather—well, we can in the long run, but we cannot do it perhaps as quickly as we would like—but we can certainly learn lessons to build more resilience.

David Duguid (Banff and Buchan) (Con): Can I thank my right hon. Friend for his statement today and his commitment, as well as that of the Prime Minister earlier this week, including his commitment to provide any support that the UK Government can in Scotland in particular? I would like to associate myself as well with his remarks and those of other hon. and right hon. Members across the House in recognising the Herculean efforts not just of the power companies, but of local communities who have come out in force to support our neighbours, and friends and neighbours around those communities.

In a spirit of helping the hon. Member for Angus (Dave Doogan), the numbers he produced earlier were from I think 9 o'clock last night, but some numbers came out earlier today which show that, from the 9,500 customers who were still looking for power last night, it has come down to 6,400, 3,700 of those being in Aberdeen and Aberdeenshire, with areas such as Auchnagatt, Forglen, Methlick and New Byth coming on stream overnight. They will be delighted, but of course there are still 3,700 in Aberdeenshire and Aberdeen city for whom that is not much solace, as the Secretary of State said. So can I ask him what conversations he has had with the Scottish Government and the local resilience programmes in Scotland not only to get the power back on as soon as possible, but to make sure that we are focusing on helping the most vulnerable in our communities—those who are not on Facebook or on the internet and who do not have access to the regular updates that we all try to give?

Kwasi Kwarteng: My hon. Friend is absolutely right. This sort of crisis does not affect everyone equally. There are vulnerable and isolated communities that are particularly affected by this outage and our focus is on that. He will appreciate that the DNO in his area—I think it is SSE—has worked very well in providing support. It is providing accommodation in some instances, hot meals and food, and we are continuing to push that.

Alex Davies-Jones (Pontypridd) (Lab): I am grateful to the Secretary of State for his update on the impact of Storm Arwen and my thoughts are with everybody impacted by this terrible natural event. Residents and businesses in Pontypridd were devastated by Storm Dennis in 2020. They were hit by horrendous flooding and, sadly, they are still, even now, feeling the impact of that. Although it is vital that residents and businesses get urgent help in the immediate aftermath, the long-term impacts are still massively impacting these people. Some are unable to get insurance, many have been hit by unnecessarily high insurance premiums and some have not even been pointed to Flood Re. So will the Minister please work with colleagues to look again at Flood Re and ensure that everybody—businesses and residents—can get access to affordable insurance?

Kwasi Kwarteng: I think the hon. Member is right. Many of us across the House have had instances of flooding and extreme weather events over the last 10 years. I myself, in my constituency, had a very extreme case of flooding in 2014 and the issues she raised with regard to insurance and lessons learned are things I am very conscious of. I would be very happy to take this up with her in any subsequent conversation or meeting.

Mr Philip Hollobone (Kettering) (Con): Storm Arwen was an extreme weather event, but we are having more extreme weather events as the climate changes. Already, every winter in this House we have urgent questions and statements on power outages caused by electricity distribution lines coming down, and train disruption caused by electrical lines failing. The long-term fix is to increase the resilience standards of the poles, pylons, wires and connectors on the system. It is not to do with local resilience forums, which are more about responding to crisis; this is about raising the technical standards of the equipment that is deployed. An example is undergrounding electricity lines, which could be as much as 20 to 30 times more expensive than an overhead line, but, especially near more populous areas, that may well be part of the solution. Will the Secretary of State be kind enough to look at the technical standards of the electricity distribution network, because we need to raise those in the face of climate change?

Kwasi Kwarteng: My hon. Friend is absolutely right to raise the infrastructure challenges that we are experiencing in extreme weather conditions, which will probably be more frequent given the climate change to which he alluded. He will appreciate that, essentially, a whole new infrastructure not only takes time, but means paying considerable amounts of money, and in the meantime we have to deal with those extreme weather events, so the local resilience forums are very important. He is quite right to say that they do not solve the infrastructure problem long-term, but it is really important that they can act nimbly, because we can improve our infrastructure standards, but we are not simply going to abolish the threat of extreme weather conditions.

Mick Whitley (Birkenhead) (Lab): The immense disruption caused by Storm Arwen over the weekend demonstrated how vulnerable much of the country is to extreme weather events. Recently, businesses and residents in my constituency were devastated by extensive flooding following torrential rainfall in the space of just a couple of hours. With climate breakdown set to make such events a more frequent occurrence, can the Secretary of State inform the House what steps his Department will be taking in conjunction with his colleagues at the Department for Environment, Food and Rural Affairs to improve the resilience of communities such as Birkenhead to extreme weather?

Kwasi Kwarteng: The hon. Member raises an important point, and he also alludes to the nature of the problem. BEIS is responsible for electricity and DEFRA has been particularly effective in responding to flooding, and he is quite right to suggest that both our Departments are working together, as we do with other colleagues across Government, and are more and more focused on the effects of climate change—and that is what it is—on our infrastructure and our people. We are working together to try to solve that general problem.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his statement. I also wish to convey my party's and my own sincere sympathies to the family of Francis Lagan, who was killed by a falling tree during Storm Arwen in Northern Ireland. Can the Secretary of State outline what support is available specifically for businesses that rely on the internet that may have to wait weeks for its restoration? It was on the news this morning, and it was very clear that businesses in Yorkshire and elsewhere are finding it difficult to reconnect and take bookings. Can the Secretary of State allocate an urgent funding scheme to allow short-term contract mobile hotspotting to take place in the interim—just to help those businesses, as they need it right now?

Kwasi Kwarteng: This is clearly a matter for urgent discussion. The hon. Member will appreciate that, in my role, I cannot stand up such funds immediately. I think a lot of the onus will be on the devolved Administration as well, so I am very happy to take that up with colleagues in Northern Ireland as well as with my right hon. Friend the Secretary of State for Northern Ireland.

Adult Social Care

1.19 pm

The Minister for Care and Mental Health (Gillian Keegan): With permission, Mr Speaker, I would like to update the House on our plans for adult social care.

Today we are publishing our ambitious 10-year vision for adult social care—our White Paper: "People at the Heart of Care". It is a product of years of work, not only by every level of Government, but by many involved in the sector, including people who give care, people who draw on care, and their families. I wish once again to underline my appreciation and admiration for everyone who works to deliver this most vital of public services, especially through this challenging pandemic.

Those working in social care—both paid and unpaid—deserve our deepest respect, yet they also deserve a system that works for them, and it is fair to say that that has not always been the case. Time and again, we in this House have heard about the challenges: the high turnover in the workforce; the lottery of how people pay for care; unsustainable local markets; the varying quality and safety of care; the low uptake of technology; those carers who are not just unpaid, but under-appreciated; and the complexity of the system for everyone involved. I am sure hon. Members will have their own challenges to add to that list. Make no mistake, these are complex issues—so complex, of course, that successive Governments, over decades, have decided to duck rather than deal with them. This Government, however, are determined to get it right. After all, we cannot be serious about levelling up unless we are also serious about social care.

In September we took a vital first step on the road to fixing this generational problem when the Prime Minister, the Chancellor, and the Secretary of State announced our new health and care levy. The focus on how we must pay for it is absolutely right, but we were clear then, and we are clear now, that there is much else we need to do. The White Paper contains more detail on what we plan to do over the next three years to transform the sector over the next decade. It is underpinned by three core principles: first, that everybody has choice, control and support to live independent lives; secondly, that everyone can access outstanding personalised care and support; and thirdly, that adult social care is fair and accessible for everyone who needs it.

The principles we hold are important, but we know we will ultimately be judged on our actions. I will therefore set out some of those actions before the House. First, giving everyone the choice, control and support to live independent lives requires both physical and digital infrastructure. We are investing £300 million in housing. That investment will support local authorities to increase the range of new supported housing options, because it is vital that people live in homes that meet their needs and give them the independence they require. Moreover, we are setting up a new practical support service to help people with minor repairs and changes, which will help them to live independently for longer. That is in addition to increasing the upper limit of the disabled facilities grant for home adaptations, which includes things such as stairlifts, wet rooms and home technology.

The digital infrastructure we put in place can be equally transformational, because we know that digital tools and technology can support independent living

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and improve the quality of care. We are therefore putting at least £150 million of funding to drive the greater adoption of such technology, with the ambition to achieve widespread digitisation across social care. We are setting up a new national website, which will explain all the upcoming changes, and we are piloting innovative new ways to help people understand and access the care and support they need.

Our second principle is to ensure outstanding personalised care and support, and at the heart of that is looking after the people who work in care. We are spending at least half a billion pounds on the social care workforce over the next three years. Some of those funds will help us to deliver new qualifications and better career routes in care, which we know is crucial for holding on to our caring and compassionate workforce. We are also directing funds into stronger mental health and wellbeing support for care staff, because colleagues cannot care for people unless we care for colleagues. We are putting funds behind a change in the services we provide to support unpaid carers, and we will find and test what works best for those who are caring under challenging circumstances. Regardless of whether that solution is old or new, if it works, we want to do it. We are also considering funding local areas to support their efforts to innovate around the care they provide, so that they can provide more options that suit people's individual needs. Those new models of care, including housing with care, have the potential to play a pivotal role in delivering care that promotes prevention, is more personalised, and enables people to live independently.

Our third principle is care that is fair and accessible for everyone. We are introducing a cap on care costs so that no one will have to pay more than £86,000 over their lifetime. That cap will be there for everybody, regardless of any conditions they have, how old they are, or how much they earn. It is a universal cap. Importantly, it will provide everyone with the peace of mind of knowing that the days of unlimited and unpredictable costs are coming to an end. The reforms will also make the existing means test far more generous, compared with both the current system and with previous abandoned proposals. Crucially, the £100,000 upper capital limit will be available to those in home care, and we expect many more people to be in home care. Let me be clear: no one will be worse off compared with the current system, and many, many people will be better off. All the ambitious plans that we are setting out today must be underpinned by a sustainable care market. The £3.6 billion we are giving to reform the social care charging system will help all local authorities to pay a fairer rate for care, and put back into the system the fairness we all want.

Before I conclude, Mr Speaker, allow me to put on record once again my thanks to everybody who has played their part in developing this important White Paper. The reform of social care in this country has been ducked for far too long, but we will do whatever it takes to take on this tough challenge, and we will get it right. Today's White Paper is an important step on our journey to giving more people the dignified care that we want for our loved ones, setting out important changes that will last for generations and stand the test of time. As a Government we are determined to get this right—I am determined to get this right—so that we can build the healthier, fairer, and more caring country that we all deserve. I commend this statement to the House.

1.27 pm

Liz Kendall (Leicester West) (Lab): I thank the Minister for advance sight of her statement—but really, is that it? There are some things she said for which Labour has been calling for some while, and which we support, such as improving housing options for older and disabled people, and the potential for technology to improve standards of care. However, there are two central flaws to the Government's approach. Ministers have utterly failed to deal with the immediate pressures facing social care, as we head into one of the most difficult winters on record. They have also failed to set out the long-term vision and more fundamental reforms we need to deliver a care system that is fit for the future.

Last week we learned that a staggering 400,000 older and disabled people are now on council waiting lists for care, with 40,000 waiting more than a year. There are more than 100,000 staff vacancies, and turnover rates are soaring. Because of those shortages, 1.5 million hours of home care could not be delivered between August and October alone, and half of all councils report care homes going bust, or home care providers handing back contracts. Hundreds of thousands of older and disabled people are being left without vital support, piling even more pressure on their families and the NHS at the worst possible time, yet the Minister has announced absolutely nothing new to deal with any of that.

Where was the plan to end waiting lists for care? Unless people get support when and where they need it, they will end up needing more expensive residential or hospital care, which is worse for them and for the taxpayer. The Minister was silent on that issue. Improving access is the first step we need to deliver a much more fundamental shift in the focus of support towards prevention and early intervention so that people can stay living in their own homes for as long as possible. But without enough staff with the right training, working in the right teams, that will never be achieved.

Where was the long-term strategy to transform the pay, training, terms and conditions of care workers, to deliver at least half a million additional care workers by 2030 just to meet growing demand, and to ensure that care workers are valued equally with those in the NHS? Can the Minister tell me why the Government persist in having separate workforce strategies for the NHS and social care when the two are inextricably linked? And can she tell me how some kind of website is going to pay a care worker's bills or put food on the family table? No wonder staff are leaving the sector in droves.

The proposals for England's 11 million family carers, who provide the vast majority of care in this country, are frankly pitiful. Unpaid carers have been pushed to the limit looking after the people they love. Almost half had not had a single break for five years even before the pandemic struck, but I understand that the additional funding in the White Paper amounts to just £1.60 a year more for each unpaid carer. Families deserve so much better than this.

What we needed today was a long-term vision to finally put social care where it belongs—on an equal footing with the NHS, at the heart of a modernised

welfare state. At its best, social care is about far more then helping people get up and be washed, dressed and fed, vital though that is; it is about ensuring that all older and disabled people can live the life they choose, in the place they call home, with the people they love, doing the things that matter to them most—in other words, a life equal to everybody else's. That should have been the guiding mission of the White Paper, with clear proposals to make people genuine partners in their care by transforming the use of direct payments and personal budgets and ensuring that the views of users and families drive change in every part of the system, from how services are commissioned to how they are regulated and delivered.

This White Paper falls woefully short of the mark, and the reality of the Government's so-called reforms is now clear—a tax hike on working people that will not deal with the problems in social care now and will not even stop people having to sell their homes to pay for their care, as the Prime Minister has repeatedly promised. Under the Conservatives' plans, if someone owns a home worth £1 million, over 90% of their assets will be protected, but if their home is worth £100,000, they could end up losing it all. Millions of working people are paying more tax not to improve their family's care or stop their own life savings being wiped out, but to protect the homes of the wealthiest. This is not fixing the crisis in social care, let alone real social care reform. It is unfair, it is wrong, and the Government must think again.

Gillian Keegan: I thank the hon. Lady for her warm welcome for the White Paper. *[Interruption.]*

Peter Kyle (Hove) (Lab): It's not a laughing matter.

Gillian Keegan: It is not a laughing matter—it certainly is not. Of course, calling for something is much different from delivering something. We are taking steps to fix social care. We are grappling with this challenge, and we will meet it. In 13 years, what did Labour do? Two Green Papers, one royal commission, one spending review—and the result? Absolutely nothing. They are good at calling for things, but they are not very good at delivering things.

The hon. Member for Leicester West (Liz Kendall) mentioned immediate pressures. It is right to say that there are immediate pressures on all our workforces as we bounce back from the pandemic, but in particular on our health and social care workforces. We have always said that. We have challenges across the winter, and we know that we need to meet those challenges. That is why we put a winter plan in place, and it is why we have given additional funding to the sector. We have given additional funding to the sector all the way through the pandemic. We have given an extra £2.5 billion.

For the workforce specifically, we gave £120 million for January to March this year. That resulted in 7.5 million extra hours in the sector and 39,000 new recruits. As that was a successful intervention, we have repeated it for this period. In fact, that money—£162.5 million—has just started landing in councils' bank accounts, and that is to take them up to March. We know there are pressures, and we know there is a lot of competition for labour, but we hope that that will be as successful as the previous interventions.

Of course, this is a 10-year vision, and we have to start with that vision. *[Interruption.]* I know that the hon. Lady and Opposition Members will look forward to reading the White Paper and seeing the vision.

Peter Kyle: It won't take long.

Gillian Keegan: It will take long. It is over 100 pages, so it will take a reasonable time if Members are interested in actually finding the solutions.

The hon. Member for Leicester West also asked about workforce strategy and the NHS compared with social care. Obviously, the people in the NHS are employed by the NHS, which is a public body. Social care is largely a private system. There are 18,000 or more businesses. That is why it is a different sector and why we deal with workforce strategy differently. However, we have £500 million to invest in the social care workforce and to make sure that we invest in the knowledge and skills framework, careers options and so on.

There are 1.54 million workers in the sector and they are hugely valued. The hon. Lady said they are leaving in droves. Actually, what we have in the sector is a continual demographic shift in terms of need, and it grows by 1% to 2% every year, so we are always trying to recruit new workers into the sector. Of course, it is very important that these fundamental reforms take place so that we get more people attracted to the sector, more people staying in the sector, more people progressing in the sector and more people providing excellent care all day, every day, providing a lifeline to people across the country.

Jeremy Hunt (South West Surrey) (Con): I thank the Minister for her work putting the White Paper together in a very short period. I know that she has put a lot of effort into it, but it is hard to see it as more than three steps forward and two steps back. The step forward, which we should acknowledge, is the introduction of a cap. Whatever the arguments about what counts towards the cap, having a cap will make a big difference to many people, and that is welcome.

However, these measures do not really give confidence in two crucial areas. The first is the funding to local authorities for their core responsibilities. The White Paper barely gives them enough to deal with demographic change and national living wage increases, and it is a long way off the £7 billion-a-year increase the Health and Social Care Committee called for by the end of the Parliament. It is also hard to see the NHS and social care systems being fully integrated, as they should be, and an end to the workforce crisis, which sees 40% turnover in many companies.

This is a start. The Minister is a very capable new Minister and I personally have great confidence in her, but will she bring forward further measures to deal with those huge problems? Otherwise, we will see hospital wards continuing to be full of people who should be discharged, and older people not getting the care they need because the carers do not exist.

Gillian Keegan: My right hon. Friend is right that this is a start. It is a 10-year vision, and obviously we had a three-year spending review and the spending that we set out was a three-year spending settlement, so of course it is just a start.

[Gillian Keegan]

On the steps to ensure that local authorities move to a fair rate and a fair cost of care, we are exploring a number of options, and we will set out further detail at the local government finance settlement later this year. Local authorities moving towards a fair rate of care is key to building a solid foundation for the future adult social care system, so we will be working closely with them to shape the best possible approach to implementation across different local markets. We will shortly be engaging with local authorities and providers, and we will publish further guidance in due course.

My right hon. Friend is absolutely right about the workforce. I have never worked in a business where the workforce was not key to anything that needed to be delivered, but in the care sector in particular, it is impossible to deliver anything without the workforce. It is also difficult to look at the workforce structure. As I say, it is the largest workforce in the country, with 1.54 million people working in it, but with 40% churn and very high amounts of zero-hours contracts and of retraining. I have never seen something that has that—*[Interruption.]* This has been the case for decades, and nobody has done anything to address it. *[Interruption.]* Nobody has done anything to address it. We do need to address it, and that is what we are here to do today, but—*[Interruption.]*

Madam Deputy Speaker (Dame Eleanor Laing): Order. Please do not shout at the Minister.

Gillian Keegan: Thank you, Madam Deputy Speaker. As was clear from their 13 years in Government, Labour Members are not interested in finding the answer, and they are certainly not interested in listening to my version of giving the answer.

Having 40% churn and such a high degree of insecurity in the workforce is not sustainable, so we need to fix that. We need to put the knowledge and skills frameworks in place. We need to invest in training and learning. We need to ensure it is captured and transferable. We need to have career routes that mean people can progress in the workforce. In my short time in the job, that has been immediately identifiable. The hon. Member for Sheffield, Heeley (Louise Haigh) and I worked on professionalising the social care workforce about four-and-a-half years ago, when we set up the all-party parliamentary group on social care. The issue has been recognised. It is not easy to fix. It is a large private sector. There is very large and increasing demand, but we are going to take the steps to fix it and the White Paper starts that process.

Dr Philippa Whitford (Central Ayrshire) (SNP): The challenges in social care of increasing need and demand are the same across the four nations, but until now the approach has been very different. The Scottish Government have always believed in seeing social care as an investment in allowing everyone to participate in society and live as independent and satisfying lives as possible. I therefore welcome the change in narrative and tone in the statement.

The Feeley review, which was carried out last autumn in Scotland, plans a human rights approach to social care, and sets out a path to developing a national care service to ensure high quality standards right across Scotland for its users, and also fair terms, conditions and career development for staff. As has been said, workforce is absolutely central to all services and social care is delivered by people for people. The Scottish Government pay the real living wage—not some pretendy living wage, but the real living wage. Will the Minister commit to raising pay for social care staff in England to £10 an hour, as the Scottish Government have planned from this month?

Brexit and the loss of freedom of movement have, unfortunately, exacerbated workforce shortages in both the NHS and care systems, with a shortage of well over 100,000 in care. Will the Minister urge the Home Secretary to widen the eligibility of the health and care worker visa to actually include care workers? It is quite bizarre that it does not include care workers.

Scotland is the only nation that provides free personal care, which is now being valued by the UK Government at £86,000 a head. Will the Minister consider, in this redevelopment, providing free personal care to people in England? While the Scottish Government are planning a 25% uplift in social care funding over this Parliament, the national insurance uplift will go largely on tackling the NHS backlog over the next three years. Does she not recognise that the care crisis is right now? The problems in A&E are not caused by people coming to A&E, but by the difficulty of getting patients into beds due to delayed discharges, which are due to the lack of social care provision. Will she state, as has been called for, what funding will go to social care right now to tackle the crisis as we go into this winter?

Gillian Keegan: Many countries across the world are grappling with this issue. We have an ageing demographic and we now live in different ways. We live much longer with more complex needs, and often we are not close to our families as we have increasingly globalised. Many countries are looking to address those challenges, including Scotland. It is important that we build the talent pipeline here. It is important that we not only invest in and train our own people, but that we build sustainability. We cannot always rely on taking workers from many other countries. We have a visa route for senior social care workers and we have reduced salary levels—I think £20,480 is the salary level—so in Scotland that probably fits the minimum hourly rate. Of course, we have had different approaches. We had a commission on adult social care which gave results in 2011. That is what we have used to build the basis of our reforms and I know Scotland has taken a different approach.

Damian Green (Ashford) (Con): I congratulate my hon. Friend on reaching this point, which we all agree is just the first step, but it is long awaited. I welcome the principles she set out, but I hope she can expand in particular on the changes that will allow more people to live in their own homes for longer through technology and home adaptations. That would not just reduce the need for residential care and therefore save money, but cut pressure on the NHS and, above all, improve the quality of life of many, many frail older people. What can we expect to see on that front?

Gillian Keegan: I thank my right hon. Friend for recognising that reaching this point is actually a milestone. It is the first time that any Government have reached this point.

Housing is key. We will increase the capacity of local areas to deliver supported housing. We will increase local expenditure on support services for those living in supported housing. We will adapt more supported housing units to make them suitable for use, as well as incentivising longer-term investment in new supported housing by local areas and housing providers. In the coming months, we will be working in partnership with local authorities, housing providers and others to design and establish our new investment in housing.

Mr Clive Betts (Sheffield South East) (Lab): I welcome the measures to enable people to stay in their own homes. That is exactly what the Housing, Communities and Local Government Committee recommended some years ago in our report into older persons' housing.

Will the Minister confirm that in the statement there was no money to improve the pay and conditions of the workforce, without which we will carry on getting churn; no money to help companies that are now exiting the social care sector; and no money to deal with the crisis in funding that local authorities are facing, which both the Health Committee and the Housing, Communities and Local Government Committee recognised? Does she accept that without money for any of those things, nothing at all will change?

Gillian Keegan: There is money to invest in the sustainability and professionalisation of the workforce. Local authorities have a local government settlement for this three-year period. We are exploring a number of options and we will set out further detail at the local government finance settlement later this year. That is when the hon. Gentleman will hear more about the costs that councils will have.

Caroline Dinenage (Gosport) (Con): I congratulate my hon. Friend on bringing forward this milestone piece of work. It really is very long awaited. The devil, of course, is in the detail, and I look forward to reading that detail with great interest. I know she recognises that the care cap alone will not solve the adult social care crisis. We need imaginative and bold system reform. We need much better integration, and, above all, a plan to improve how we recruit, retain and value the care workforce and the army of unpaid carers out there. It is a massive task, but I know she is up to it. I am really keen to get her reassurance that once and for all, we have the Government's commitment to fix this problem.

Gillian Keegan: I thank my hon. Friend for all her work in this area. Obviously, I have just come in at the end of the journey and many, many people have been working on this issue for many, many years. They should all take credit for that work and for reaching this point. She has my firm commitment that the Government are absolutely committed to fixing social care. As I said, we cannot level up without fixing social care, and of course we all have a vested interest in having a very good social care system.

Daisy Cooper (St Albans) (LD): This statement is incredibly thin. It feels as though the Government are trying to fiddle with the light bulbs on the Titanic as it is starting to go down. We have an enormous crisis, where people who need care cannot get it and end up going into ambulances, ambulances are now queueing up outside hospitals, and hospitals cannot discharge patients back into their homes or the community because the care is not there. The statement and the White Paper do not address the fundamental problem of fragmentation and integration. The Minister has already accepted that this is now just a first step. Will she be clear with us today on when she will bring forward concrete proposals for how to tackle the problem of fragmentation and integration between the NHS and care?

Gillian Keegan: The hon. Lady is absolutely right that the complexity is broad. We have always anticipated that we would have winter challenges to deal with. With the global pandemic, there is a backlog of all kinds of things that people need—diagnosis, operations, electives and so on—plus all the other challenges such as winter flu and new variants of covid, which are still here. That is why we have specifically put a winter plan in place; we have also set out hundreds of millions of pounds of extra funding to look specifically at the winter challenges and the discharge process. It is not easy, because of the absolute growth in demand. We knew that it was always going to be challenging, and we regularly monitor and measure it with our NHS colleagues.

The hon. Lady mentions a fundamental pillar: the integration of health and social care. That will be subject to another White Paper, which will come early next year and will have more details about integration. She is absolutely right that it is another solid foundation on which social care reform will stand.

Steve Brine (Winchester) (Con): Obviously I will study the White Paper that has been published today, and I welcome the cap that we are introducing. Opposition Front Benchers may have turned up in force today, although they have scuttled off now, but they did not do anything about the issue in 13 years in government. As far as I can tell from the response today, there is absolutely nothing coming back across the Dispatch Box from any of the Opposition parties.

I think I am right in saying that the upper limit of the disabled facilities grant for home adaptations is being increased. Can my hon. Friend confirm that that will help my Winchester and Chandler's Ford constituents with things like stairlifts and wet rooms, which are really important to people's day-to-day quality of life? Will she say exactly when it will kick in, please?

Gillian Keegan: We will commit a further £573 million per year to the disabled facilities grant between 2022-23 and 2024-25. We are also taking steps to ensure that the disabled facilities grant can benefit more people in need. We will consult on some of those steps in 2022.

Helen Hayes (Dulwich and West Norwood) (Lab): It has been two and a half years since the Prime Minister stood on the steps of Downing Street and promised to

"fix the crisis in social care once and for all with a clear plan we have prepared".

I think we can all be forgiven for asking what on earth the Government have been doing during that two and a half years—a time when the social care crisis has got worse. Right now, more than 100,000 vacancies exist in adult social care. Care homes are refusing new admissions because of staff shortages. Providers are haemorrhaging staff to better-paid roles in hospitality, retail and distribution. The sector is on its knees as we head into the harshest winter in living memory.

[Helen Hayes]

The Minister's statement today was completely tone-deaf on the scale of the crisis. Can she say, because it was not clear from the statement, how she expects the sector to get through the winter? What does she have to say to the families who are waiting right now for a care home place that simply does not exist under her Government's failing social care system?

Gillian Keegan: The hon. Lady seems to be the only person in the whole world who has missed the global pandemic, but it occurred during the same period. To answer her specific question, she is absolutely right that there are pressures right now. There are pressures continually in the system, because there is always a need for growth every year, but right now the winter pressures are challenging. As we bounce back from the pandemic, everything is opening again and there is a lot of competition for labour—there are 1.2 million vacancies in the country.

We have invested £162.5 million, which is on its way—it has probably just landed in most councils' bank accounts. That investment is there for short-term fixes, similarly to what we put in place for January to March this year, which was very successful; it brought forward 7.3 million extra hours and 39,000 new recruits. We have invested in that funding for the workforce, and we keep it under review—we get data every month through a capacity tracker system. We work closely with the sector and will continue to monitor its needs.

Robert Jenrick (Newark) (Con): Does the Minister acknowledge that one of the flaws with the increase in national insurance is that only 15% of the additional revenue will flow through to local authorities to improve the quantity and quality of care? The remainder will go to protecting relatively asset-rich families' inheritances and to the very important task of tackling backlogs in the NHS.

Many councils listening to the announcement today will be very concerned about how they will tackle the demographic changes that they face in the years ahead. What does the Minister have to say to them? In the more substantial White Paper that is to follow, what more can she say about reforming the system to integrate care, which might enable efficiencies to help those local authorities to face the future?

Gillian Keegan: On the latter point, I cannot say much more at this point, but a White Paper is being developed and will be available early next year. My right hon. Friend is absolutely right that that is another key part of making sure that councils can deliver on the obligations in the Care Act 2014.

The levy raises £12 billion a year, more or less. For the three-year period, the majority of that sum will go towards catching up with electives in our NHS. There are now 6 million people in urgent care, so that is the right thing to do. However, we know that we will need an increasing share of that fund as we go beyond the three-year period. Many of the reforms in the White Paper and many of the things that we will be working on will help to inform the discussions with the Treasury.

Barbara Keeley (Worsley and Eccles South) (Lab): Social care is a vital service that has been in crisis for a decade. What we need is reforms to bridge the funding gap so that unmet needs can be met and more care packages can be delivered; a dramatic improvement in pay and conditions for care staff, to halt the exodus out of care work; and decent support for the 11 million unpaid carers who have done so much extra caring during the pandemic. Sadly, what the Minister has announced falls far short of what is needed. Does she actually believe that these half-hearted measures in any way match up to what the care sector needs to survive?

Gillian Keegan: This is a big reform that needs to take place, and it is based on demographic changes in the population all over the world. It is complex, and it will take a lot of time: it is a 10-year vision. I know that the hon. Lady has not had the chance to read our White Paper yet, but I am sure that she will see that there are a lot of things in it.

If we are actually looking to fix something—if we are looking to put a sustainable system in place that offers independence, choice, a great place to work and a great career—we need to fix a lot of solid foundations. I know that the Labour party always wants to throw money at the problem, but actually we need to make sure that the foundations are in place and that proper and sustainable funding is in place. That is what the White Paper delivers.

Chris Grayling (Epsom and Ewell) (Con): I congratulate my hon. Friend on the progress that she has made so far. Care is a real challenge in a county such as mine, where we have high costs and a fast-ageing population; I ask her to bear that point in mind as she works on the next White Paper.

Closer to the immediate challenges, very many families are uncertain about whether they will be able to visit relatives in care homes over Christmas. A patchwork of measures is in place among different care home providers around the country. Obviously we are dealing with a difficult situation right now, but may I ask my hon. Friend to ensure that a very clear set of guidelines is given to care homes for the Christmas period, so that families know where they stand and so that the elderly, who are among those who have suffered the most over the past two years, get the chance to see their family where possible?

Gillian Keegan: My right hon. Friend makes a very good point. My grandmother was in a care home with dementia; the thought of not being able to see family has been one of the very difficult things throughout the pandemic. I pay tribute to all the care workers, who in some cases took the place of family during the height of the pandemic and were there with their loved ones day and night.

My right hon. Friend is absolutely right that it is very important that visitors can go into care homes, but of course care homes also have to make sure that they are safe, and we need to get the balance right. We have updated the guidelines for visitors and ensured that there is a named essential care giver who always has access to their loved one in care. We have recently updated that guideline, but obviously we will keep it under review as we learn more about the new variant.

John McDonnell (Hayes and Harlington) (Lab): The Minister has talked about a 10-year vision, but most unpaid carers are just trying to see how they can get

through the next week, or the week after that, or the week after that. As has already been pointed out, there are 11 million unpaid carers in the country, many of whom depend entirely on carer's allowance, a legacy benefit. They never gained the additional £20 of universal credit, and they are living in poverty. What is there in this strategy that will assist unpaid carers and lift them out of poverty?

Gillian Keegan: I agree with the right hon. Gentleman. Unpaid carers are an essential part of the system, and I want to pay a massive tribute to all the people who have been offering care, usually to their loved ones, during this period. As the right hon. Gentleman suggests, during the pandemic many vital services on which carers generally rely, such as respite or day care services, have not always been fully open to everyone, so I have urged all local authorities and providers of those services to ensure that they are.

The White Paper provides for money to help local providers to develop the services that carers would appreciate. There is a specific fund for them to work with carers, and there will obviously be input into that as well. We will ensure that we build services to support this vital sector, and, in addition, carer's allowance will rise to just over £67 in April 2022.

Mr Andrew Mitchell (Sutton Coldfield) (Con): Notwithstanding the somewhat churlish approach of the Opposition Front Bench, today's announcement marks good and steady progress on the part of a Government who have, after many years, started to tackle this important problem, and I think the House should give the Minister credit for that.

Does the Minister appreciate how much this matters to us in Sutton Coldfield, which has a more elderly demographic? In this context, I agree with my right hon. Friend the Member for Ashford (Damian Green). We need coherent policies enabling older folk to stay in their homes for as long as possible. In particular, the newly agreed and enhanced role of the services emanating from the Royal Sutton Coldfield Cottage Hospital in keeping people in their homes is at the front and centre of our plans for ensuring that the White Paper and the accompanying policy have a real impact in Sutton Coldfield.

Gillian Keegan: Of course I am trying not to be too disappointed by the reactions of Opposition Members; I did not really expect an awful lot more.

Areas such as Sutton Coldfield and Surrey are expensive to live in, and we need to recognise that. Most of us, when asked about our future care arrangements, would say that we would like to stay in our own homes, and we want to make that possible. There is a great deal of technology that will help, but it is also important to adapt more supported housing and to work with local groups to deliver the right approach for the right areas, and that will include local hospitals as well.

Jim Shannon (Strangford) (DUP): I thank the Minister for her statement, and for the progress that she is clearly trying to achieve.

Workforce availability for care homes is vital. Today a representative of a care home bordering my constituency rang to say that a quarter of its staff are off work owing to close covid contacts, although they are now treble-jabbed, and it has no more staff and a lack of agency staff to employ. What can be done through this strategy, Minister, to ensure that the recruitment and retention of care workers are improved?

Madam Deputy Speaker (Dame Eleanor Laing): Order. I cannot believe that the hon. Gentleman said "Minister" again. I thought that he was beginning to get it, and that he would not make me unhappy any more!

Jim Shannon: I should have said "the hon. Lady".

Madam Deputy Speaker: I thank the hon. Gentleman very much for that. I can say "Minister"; it is the hon. Gentleman who cannot. Minister!

Gillian Keegan: Thank you, Madam Deputy Speaker.

The hon. Gentleman has asked a good question. Dealing with covid is very challenging for many workforces, which is one of the reasons for our taking the difficult step of making vaccination a condition of deployment in this sector, and also offering the third dose—the booster—which many of those people have now had. It reduces the likelihood of transmitting or contracting covid, although it does not eliminate it altogether. The hon. Gentleman is right about the pressures on the workforce, which are increased by the need to manage covid in the case of residents and also people who are in their own homes. We have invested £162.5 million to help with those pressures in the short term.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate the Minister on getting a grip on an issue that consecutive Governments have simply ignored since the 1940s, but does she accept that there is a certain irony in our having two White Papers to deal with a matter involving integration?

Will the Minister say a little about how what she has announced today may help to resolve the crying shame of elderly, vulnerable people languishing in acute hospital beds for weeks on end when there is no active medical management plan for them, often at the end of their lives, when they should be being cared for appropriately in homely settings in the community? Will she recognise that until we deal with that, and the huge pressures that it puts on them, their families and our NHS, we will make no progress whatsoever?

Gillian Keegan: My right hon. Friend is absolutely right. People are in expensive hospital beds when they would rather be at home because of a lack of services, or a lack of joined-up service, and that affects hospitals throughout the country. It is a large element of the current pressures, and it happens every winter. It happened every winter when I was a hospital governor. This integration, and the Health and Care Bill which the Minister for Health, my hon. Friend the Member for Charnwood (Edward Argar), steered through the House so ably, will help to solve the problem.

Liz Twist (Blaydon) (Lab): Our social care staff, whether they work in residential care homes or in people's own homes, are at the heart of a real change in social care. The Minister has talked about some improvements, but does she accept that improving the pay and terms of employment of those staff is crucial to fixing the problem? What steps will she take to ensure that that is dealt with quickly?

Gillian Keegan: Of course pay is important, but it is not just a question of pay. I joined a group of carers in a domiciliary care round earlier, and I spoke to them about this. They said that the most important thing for them was changing the way in which the profession was perceived, and that they never wanted to hear themselves described as "just a carer". That struck me as very important, because it was an aspect of professionalising the workforce. Recognition is also valuable. These are private companies, but of course the council is a big buyer of care services as well, and that will feature in the local government spending settlement towards the end of the year.

Mr Mark Harper (Forest of Dean) (Con): As chair of the all-party parliamentary group on learning disability, I welcome what I understand has been extensive engagement with the sector in the production of the White Paper. I know that it has been much appreciated.

As for the issue of resources, many Conservative Members found it hard to vote for a tax increase of £12 billion a year, but what is really important is for the money to be used effectively. May I pick up what was said by my right hon. Friend the Member for Newark (Robert Jenrick), and suggest that when the local government settlement is published, it should show the settlement for not just one year but a number of years? We could then see a big share of those funds moving from the NHS to social care, which would enable local government to plan appropriately and the NHS to accept that it will not keep that money forever once it has dealt with the backlogs. Many of us are quite sceptical about that. I think that the more transparency there is, the easier the Minister's job will be in getting those resources into the social care sector.

Gillian Keegan: My right hon. Friend is absolutely right. More than 250 organisations worked with us to develop this White Paper, and I want to thank them for their input. Of course they welcome the steps that we are taking. I do not know how many Green Papers, White Papers and other papers they have tried to get some change from, but this one is finally starting on the road to deliver and transform the sector. He is right to say that the longer we can have some understanding of the settlement for funding, the better, and I am sure that my colleagues who are working on that will have heard his question.

Derek Twigg (Halton) (Lab): It is disappointing that the Minister does not take seriously our genuine concerns about the crisis in social care. She will have received a copy of the letter sent to MPs recently from the Association of Directors of Adult Social Services. Why does she believe that it said that, in its professional judgment, these measures as they stand

"will not fix the crisis in social care"?

Gillian Keegan: What I have said is that this is a huge step forward. I do not think that I can stand here and say we will fix the whole crisis in social care overnight. As I have said, this is also something that countries all over the world are grappling with. I think that when that letter was written, the short-term funding of £162.5 million had not been sent out to local councils. I hope that they are using that money wisely to increase capacity and retention in the care sector.

Sara Britcliffe (Hyndburn) (Con): I find it incredible that the Opposition can come here again with no plan and then criticise the Government. It is the same thing for their social media. I really welcome the fact that we are trying to do as much as possible to keep people in their homes, and that the Government are doing something to tackle that, but can the Minister assure me that she is still looking at the regional disparities?

Gillian Keegan: Yes of course. There are regional differences in care. There are lots of regional differences. There are differences in how much the care cap of £86,000 is worth, which is what I think my hon. Friend is concerned about. There are regional differences in how much people pay for care: it is much cheaper in various areas compared with the more expensive areas. I am asked why we will have a fixed sum of £86,000, and that is a good question. If we are looking at it as a percentage of assets, £86,000 will be different for different people, of course. The question was: why should we not base this on a percentage of assets? When I looked at the system we would have to build, I saw that it would be absolutely unworkable. It will be difficult to implement the cap anyway, because we will need a metering system that every council will have to operate for everyone who is paying for social care at different rates and different times. The system that we will have to build is very complex. Having a cap that will also enable us to talk to other players such as insurers, to see what other insurance products come forth, was considered the only implementable way.

Madam Deputy Speaker (Dame Eleanor Laing): I gently suggest to the Minister that the rule about facing the Chair when addressing the House is not just about courtesy and politeness—I know that she is the most courteous and polite person on the planet. It is also because if she is looking at someone who has asked a question, the microphone does not pick up her voice. I say this to everyone. That is why it is important to face this way; if she does so, she can be properly heard.

Margaret Greenwood (Wirral West) (Lab): The Minister said that there was a lottery in how people paid for their care. There certainly is, and this is raised with me on a regular basis by my constituents. A quarter of Wirral adults with ongoing health needs were denied continuing healthcare over the summer, according to figures from NHS England. I think the Minister would agree that the CHC—continuing healthcare—system is unfair. Just at the very time when families need support, they often find themselves facing huge bills for care and having to consider selling the home of the person who needs care. Can she tell us what action she will take to ensure that no person has to sell their home to pay for their care, or was that just another hollow promise from the Prime Minister?

Gillian Keegan: I thank the hon. Lady for her question, because this is something that bothers me. It happened to my grandmother. We had to sell her council house, which she had bought under the right to buy that was introduced by a Conservative Government. It is very important that we start to fix this, because under today's system, everybody out there can go down to their last £14,250. That is all that is protected. It is therefore a very unfair system today. That is why we are making

these changes and introducing this cap, to ensure that nobody will ever have to pay more than £86,000. In addition to that, we are putting the means test up to £100,000, so that the cost of care is shared as a person's assets get below £100,000. That will also slow down the depletion of assets. It will be a much fairer and better system than the one in place today.

Paul Bristow (Peterborough) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests.

A few months ago, I spoke with a social care service user who told me that living in supported housing made him feel like a king, because he had access to his own private shower. These small, incredibly significant, humanising differences between long-term hospital care and being supported to live independently are striking. Can my hon. Friend confirm that one of the drivers behind this White Paper is to ensure that people can live as independently as possible for as long as possible, and does she recognise that this can be achieved through the integration of social care, mental health and supported housing?

Gillian Keegan: My hon. Friend is absolutely right. Half of the social care budget today is spent on working-age adults. It is not just spent on elderly people. Of course, many people with disabilities or learning disabilities want to continue to work and they want to be supported in that. A supported house and the right mental health support are obviously the right approach, and that is something that we will be working on in this White Paper.

Paul Blomfield (Sheffield Central) (Lab): The Minister was right in the way she described the crisis in social care. We have residential and domiciliary provision that falls chronically short of what is needed, care staff who are undervalued and grossly underpaid, and an army of unpaid carers—particularly young carers—who do not have the support they deserve. The problem is that what she has announced does not address any of that. It is frankly extraordinary that she says that this is the product of years of work. Where is the substance? As questions from both sides of the House have recognised, does today's statement not show that when the Prime Minister promised a plan to fix social care, all he ever had in mind was an asset protection scheme for the wealthier, paid for by the many who would never benefit from it?

Gillian Keegan: I want to pay tribute to the 1.54 million people who work in this sector, because they offer the most incredible care, and also to unpaid carers. The hon. Gentleman mentioned young carers, and it is important that we support them. We will work with the Department for Education, which will amend the schools census at the earliest opportunity to include young carers so that we can identify them and put in the support around them. I do not agree with what the hon. Gentleman said about today's statement. In 13 years, the Labour Government produced two Green Papers, a royal commission and a spending review, but absolutely nothing that has made a difference to anybody. Of course, none of the Opposition Members have yet had the pleasure of reading the plan, but I can assure them that it is a plan that will deliver on a 10-year vision and start the changes that, as my right hon. Friend the Member for South West Wiltshire (Dr Murrison) said, have been ducked since 1940.

Kevin Hollinrake (Thirsk and Malton) (Con): I thank my hon. Friend for all her work on this, as a Back Bencher and as a Minister. As she will know from our many conversations, I am a fan of the German system, not least because of its greater focus on domiciliary care and on personal budgets, which allow people, instead of relying on the professional workforce, to pay a loved one or a neighbour to provide their care. In many cases, that is much more beneficial for that individual. Is that going to be a feature of the White Paper, which I have obviously not yet had a chance to read?

Gillian Keegan: I know my hon. Friend's views on that system, because we have discussed it many times. There are two things that I think he will welcome in the White Paper. The first is the focus on people being supported to stay in their own home or in supported housing for as long as possible. The second is personal budgets, which we will be exploring for people after they have been metered towards the cap. There is some use of personal budgets today, but we will be exploring what greater use of them we can put in place.

Mohammad Yasin (Bedford) (Lab): With 100,000 vacancies in the social care sector, the Future Social Care Coalition has made it clear that failure to act immediately on care workers' wages will have devastating consequences for the NHS, for the elderly and for other people who are in desperate need of care. Will the Government listen to the sector's warning that the current and forthcoming hourly rates for care staff are insufficient to retain or recruit staff?

Gillian Keegan: As I said, we have put in place £162.5 million-worth of funding and it has only just gone into councils' bank accounts. We expect councils will use the funding to retain and grow the workforce.

Earlier I mentioned the all-party parliamentary group on social care, which I set up four years ago with the hon. Member for Sheffield, Heeley (Louise Haigh). At that time the vacancy rate was 122,000, even greater than it is today. We have 1.54 million people working in care, and the need grows by 1% to 2% every year because of changing demographics.

Mr Philip Hollobone (Kettering) (Con): The number of stranded and super-stranded patients at Kettering General Hospital has recently been increasing. Thankfully it is not at the level it was a few years ago, when as many as 200 of the 550 beds were occupied by stranded and super-stranded patients. They are mainly elderly and vulnerable people who, as the Minister will recognise, should not still be in hospital because they have completed their medical treatment. They need to be placed in an appropriate social care setting or at home with appropriate social care support. When can we expect firm proposals from the Government to address this issue? Unless we can get these very vulnerable people into the care they need, not only will it make life very unhappy for them but it will be extremely expensive and will clog up our NHS.

Gillian Keegan: My hon. Friend is absolutely right, and this is something that happens pretty much every year. For the short term, we have around £500 million as part of our winter plan to focus on the discharge process and to make it work as effectively and as efficiently as possible. Of course, a big part of that is making sure social care is in place. In the longer term, the integration White Paper is key to making sure we have much better processes so that people get the care they need, with the right care in the right place.

Robert Buckland (South Swindon) (Con): I congratulate my hon. Friend on introducing the White Paper. I see the Secretary of State for Health and Social Care in his place, and I am grateful to him, too, for ensuring the Government published the major part of the White Paper process before the end of the year. We know the integration White Paper is to come, and that will be important.

Other hon. and right hon. Members have asked about accountability on funding and ensuring that we have a share of the pot for social care. In particular, I am interested in the excellent initiative of £300 million going to local authorities for supported housing and increased choice. How will we make sure that money is used to enrich the lives of, in particular, adults with disabilities, who currently do not have the choice they deserve?

Gillian Keegan: I thank my right hon. and learned Friend for his question and, indeed, for all his work in this area. I know this is dear to his heart. I look forward to working with him on a solution.

The £300 million is specifically to help to solve supported housing and to provide much better supported living and mental health support for young adults with disabilities or learning disabilities. Based on conversations with my right hon. and learned Friend, we have also put something in the White Paper on further help to get these young people into work, as many of them want help and support getting into work, and not enough of them are getting that support today.

Points of Order

2.23 pm

Anneliese Dodds (Oxford East) (Lab/Co-op): On a point of order, Madam Deputy Speaker. Yesterday the right hon. Member for West Suffolk (Matt Hancock) intervened on me to "set the record straight" on whether one of his constituents secured a contract from the Government related to the covid-19 pandemic. He said that claims of such a contract were

"a fabrication pushed by the Labour party—it is a load of rubbish."—[*Official Report*, 30 November 2021; Vol. 704, c. 851.]

Yet today the Good Law Project published evidence indicating that a company called Alpha Laboratories won a contract worth more than £40 million from the Department of Health and Social Care in December 2020, and that this company appears to have subcontracted all the manufacturing of goods to another company, Hinpack Ltd, which appears to be run by his constituent.

Madam Deputy Speaker, I seek your guidance on whether the right hon. Gentleman should return to the House to set the record straight by withdrawing the comments he made yesterday.

Madam Deputy Speaker (Dame Eleanor Laing): I thank the hon. Lady for giving me notice of her point of order, and she will recall that I was in the Chair during her exchange with the right hon. Member for West Suffolk (Matt Hancock). I must ascertain that she has mentioned to him that she intended to raise this matter today.

Anneliese Dodds *indicated assent.*

Madam Deputy Speaker: Thank you for that confirmation. The hon. Lady knows that what is said by one Member to another is not a matter for the Chair. If the facts that have been presented to the Chamber turn out to be wrong, it is incumbent on not only every Minister but every Member to come back to the Chamber at the earliest opportunity to set the record straight. I make no judgment about the facts, because that is not a matter for me. The facts are a matter for debate.

I understand why the hon. Lady wanted to raise the matter. She has done so, and she will know there are various ways in which she can hold Ministers to account for the veracity or otherwise of the facts she is disputing.

Mr Clive Betts (Sheffield South East) (Lab): On a point of order, Madam Deputy Speaker. I am disappointed that the Secretary of State for Health and Social Care has just gone, because he might have been able to help me with this point of order if you cannot.

I declare my interest, as I have an immunocompromised system and therefore I was very pleased that the Government announced the availability of a third dose for people with conditions such as mine and many others. I am concerned that there has been a lot of confusion between primary and secondary care about who should be advising people of their eligibility.

I therefore tabled a question on 22 October to ask who is responsible for advising people of their eligibility and what the gap will be between a third dose and the booster. The Department of Health and Social Care answered on 27 October saying that it could not answer the question in the required time—that was two months after the policy statement. I asked again on 24 November

whether the Government could say who would advise people of their eligibility, and I was told again that the Department could not answer within the required time.

Three months after a major policy announcement, the Government cannot say who is responsible for advising people of their entitlement. Either the Department made a major policy decision without having the administrative arrangements in place to deliver it, or it has the information and is keeping it from Parliament. Neither of those answers is satisfactory, Madam Deputy Speaker, and I wonder whether you can help me get to the bottom of it.

Madam Deputy Speaker: I thank the hon. Gentleman for giving me notice of his intention to raise this point of order.

Mr Speaker has said on many occasions, and I now reiterate what he said, that Ministers have a responsibility to make sure questions are answered within a reasonable time. It would appear that the questions tabled by the hon. Gentleman have not been answered within a reasonable time, and the answers are relevant, ongoing and important to his constituents and indeed all our constituents. The questions ought to have been answered.

The Procedure Committee is monitoring the record of Departments in answering questions timeously, so the hon. Gentleman might also wish to raise the matter with the Procedure Committee. From the Chair at this point, I sincerely reiterate what Mr Speaker has said on many occasions and I hope the matter will have been noted by the Treasury Bench. The hon. Gentleman's questions ought to have been answered, and I hope they will be now.

Derek Twigg (Halton) (Lab): On a point of order, Madam Deputy Speaker. I seek your advice. Is it acceptable for the Health Secretary to fail yet again to answer a named day question on time? I have had to wait nearly two weeks for an answer to parliamentary question No. 75821. More worryingly, the answer I received is astonishing. In a statement to this House on 7 September 2021, the Prime Minister announced an increase in national insurance to provide additional health and social care funding. In my question, I therefore asked, for each year up to 2024, what impact this

"additional funding for the NHS will have on hospital waiting times".

The answer came back:

"No formal assessment has been made. "

Given that the House has voted for additional money to be allocated to the NHS, surely either the Prime Minister or the Secretary of State should come to this House to explain why the Government have not a clue as to how this additional money will affect waiting times, when there are almost 6 million people on the waiting list.

Madam Deputy Speaker: I thank the hon. Gentleman for his point of order. Once again, it is wrong that questions have been asked and they have not been answered within a reasonable time. Of course, the Chair is not responsible for the content of Ministers' answers but, again, I suggest two courses of action to him. One is to draw the matter to the attention of the Procedure Committee—I have a bit of a feeling it is going to be busy in this respect because I think this is the sixth point of order of this kind that I have taken in the past few days and I am sure my colleagues have taken more. He also, of course, has the option of consulting the Table Office about ways in which he can bring Ministers to the Chamber to answer the questions. His point is made and I am sure it will have been noted.

Barbara Keeley (Worsley and Eccles South) (Lab): On a point of order, Madam Deputy Speaker. I want to correct the record. The Minister for Care and Mental Health, who has now left her place after the statement, persistently said that there was no White Paper from the Labour Government in 2010. That is patently not true. Our March 2010 White Paper "Building the National Care Service" came out just a few months before the general election. We can send her a copy—I will find one—but it is not accurate to say, when we are talking about these important things, that the Labour Government did not have a plan for social care because we did and it was an excellent plan.

Madam Deputy Speaker: I thank the hon. Lady for her point of order, which, as she knows, is a point of debate. She says that the Minister was wrong in her answer and the Minister thinks she was right in the answer. I am so happy to tell the House that it is not for me to decide who was right or who was wrong, although in this case it does seem that the facts speak for themselves.

Grahame Morris (Easington) (Lab): On a point of order, Madam Deputy Speaker. I wonder whether I might seek your advice. This is relevant to the previous statement. The hon. Member for North West Durham (Mr Holden) mentioned yesterday that he understood that the Department for Business, Energy and Industrial Strategy offered military assistance to Northern Powergrid, but the offer was refused. Northern Powergrid has stated that no such offer of support was made. Although we may all be critical of the Government and some aspects of Northern Powergrid's response to Storm Arwen, I know that the hon. Gentleman is an honourable person and he would not want to have inadvertently misled the House and the public as to what support has or has not been offered by the Government. I have, as suggested, given him notice of this point of order, but can you advise how the record could be corrected? Is it possible to give the hon. Member, who, unfortunately, is not in the Chamber at the moment, the opportunity to correct the record?

Madam Deputy Speaker: This is getting somewhat repetitive, but the hon. Gentleman is quite right to raise his point of order. Once again, what another Member has said here is not a matter for me. Clearly, there are facts in dispute. The hon. Gentleman has taken the opportunity to put his view on the record and I am sure that the hon. Member for North West Durham, to whom I trust he has given notice that he intended to raise this point of order—

Grahame Morris *indicated assent.*

Madam Deputy Speaker: Thank you. I am sure that, if the hon. Member for North West Durham considers that the facts were not as he stated but as the hon. Gentleman has just stated, he will use the first opportunity to put the record straight. If not, that is a matter for him and not for the Chair.

Matt Hancock (West Suffolk) (Con): On a point of order, Madam Deputy Speaker. I am grateful to the hon. Member for Oxford East (Anneliese Dodds), on the Front Bench opposite for giving me notice of her point of order, although she gave me so little notice that I could not get here in time to listen to it. She did, however, provide you with a written copy of it, which I have read. The point I would like to make in response is that that point of order, and the point made in it, demonstrate very clearly that there was no contract between the firm being discussed and the Department or the NHS. Of course, the Department of Health and Social Care and the NHS does not have a say in subcontracting arrangements. So what this has done is demonstrated finally and for the record that there was no such contract between my constituent and the Department or the NHS. All this has been looked at by the National Audit Office, which found all to have been done in an orderly way. Finally, no matter how hard Opposition Members look or how deep they dig, all that will be discovered is a lot of people working hard to save lives—that is what was going on.

Madam Deputy Speaker: I thank the right hon. Gentleman for responding to the hon. Lady's point of order. It is rather unfortunate that he did not have sufficient notice of the point of order. It is a matter for the Chair to make sure that every Member is dealt with in an honourable fashion. The hon. Lady is nodding and acknowledging that she ought to have given the right hon. Gentleman a longer period of notice that she intended to directly criticise him here in the Chamber. But I think we will set that aside because, as I said yesterday, this matter has been dealt with politely and correctly between the hon. Lady and the right hon. Gentleman. There is a difference of opinion, but there is no dishonourable conduct. I am grateful to the right hon. Gentleman for coming as soon as he could to the Chamber to give the facts as he sees them—

Matt Hancock: Just the facts.

Madam Deputy Speaker: The right hon. Gentleman says, "The facts." It is not for me to make any judgment whatsoever as to the interpretation of the facts. I feel that this matter ought to be at an end and as far as I am concerned it has been dealt with.

John Redwood (Wokingham) (Con): On a point of order, Madam Deputy Speaker. This relates to the points of order about the answering of questions. I would like you in the Chair and the Procedure Committee to know that I, too, have tabled questions to the Department of Health and Social Care seeking basic information on budgets, manpower plans and other matters for which it should be accountable to this House, and have not had answers.

Madam Deputy Speaker: I thank the right hon. Gentleman for his further point of order on exactly that matter. It is a point well made and it needs no further comment from me. However, I am grateful to him for drawing the House's attention to what he has just said.

BILL PRESENTED

Trade Agreements (Parliamentary Scrutiny and Farming) Bill

Presentation and First Reading (Standing Order No. 57)

Tim Farron presented a Bill to provide for parliamentary approval of trade agreements; to place a duty on the Secretary of State to consider UK agricultural, environmental and animal welfare standards when negotiating trade agreements; to require the Trade and Agriculture Commission to assess the effects of potential trade agreements on farming, the rural environment and animal welfare and to produce associated reports; to require the Secretary of State to lay such reports before Parliament; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 14 January 2022, and to be printed (Bill 207).

Quarries (Planning)

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

2.39 pm

Matt Western (Warwick and Leamington) (Lab): I beg to move,

That leave be given to bring in a Bill to introduce a presumption in planning decision-making against approving quarry development in close proximity to settlements; to require the risks of proposed quarrying sites to health and the environment, including through silica dust, to be assessed as part of the planning process; to make provision about the use of quarries for waste disposal; and for connected purposes.

I appreciate that legislation that seeks to shift the presumption in planning law against quarry development in the health interests of local residents may, at first glance, seem like a parochial issue. However, when planning decisions concern proposals that would have a substantial impact on the local community, central components of democracy—accountability, public health and local representation—are all at play.

Across the land, a great many communities face the prospect of permission being granted for quarries that will not just blight their areas but bring significant risks to human health, while at the same time being, in certain cases, surplus to requirement. As I aim to make clear, a local planning application in my constituency—specifically, in relation to a proposed sand and gravel quarrying site near the villages of Barford and Wasperton—demonstrates the point. It is the issue that originated the community campaign and has motivated me to stand here today and push for a change in the law.

The broader issue lies with existing legislation under the Town and Country Planning (Local Planning) (England) Regulations 2012 and the 2012 national planning policy framework, under which local authorities are legally bound to prepare minerals plans with 15-year horizons. On the one hand, that makes eminent sense, but it is of course dependent on realistic housing and planning projections, and many Members from all parties were victims of the Government's original malgorithms. On the other hand, it should give due importance to local amenity and public health but, as I will explain, it fails to acknowledge the latest science on air quality and the threat to human health.

Air quality has long been talked about as an issue. The Clean Air Act 1956 addressed the evident shocking risks to human health at that time. The threats were clear for all to see—or not, given the smog of the first part of that century. We should now be alive to the hidden threats of invisible particulates and noxious gases.

In April this year, a coroner concluded that the tragic death of nine-year-old Ella Adoo-Kissi-Debrah was triggered by poor air quality in her community due to vehicle emissions. She had endured 28 visits to hospital because of breathing problems. Following the case, the coroner wrote a prevention of future deaths report that urged the Government to introduce legally binding limits as regards air quality based on World Health Organisation guidelines. That case alarmed the public and should certainly have caused alarm among the Government. While PM_{10} and $PM_{2.5}$ are now part of our lexicon in addressing air-quality issues, there are wider issues that urgently need legislation; hence this Bill, which is, in essence, about minimising the impact of emissions on residents' health, and particularly children's health.

The science is extremely concerning and there is much research on the issue. On air toxicity, the Environmental Working Group, a US-based body specialising in research and advocacy, has stated that

"none of the air quality standards for silica are adequate to protect people living or working near sand mining sites. The danger of airborne silica is especially acute for children…Silica air pollution has become a danger for residents near open sand mining and processing. Children, older adults and others with existing disease are especially at risk."

As a result, the group has concerns for any resident living within 1,500 metres of any excavation site, because of the dissipation of dust particles. According to its evidence, gathered in open sandmines in Wisconsin and Minnesota, the silica levels were at least 10 times higher than the recommended limit of 3 micrograms per cubic metre. I can see no reason why that would be much different from levels found in areas that border sand and gravel quarries in the UK.

Let me turn to the proposed Barford and Wasperton quarry. I could refer to many of the other quarries, proposed and in situ, that concern colleagues from all parties, from Alyn to St Albans and a great many communities in between, but Barford is symptomatic of the problem. Warwickshire County Council identified the proposed quarry site as part of its minerals plan. The purpose of the site is the excavation of sand and gravel. Put simply, the site is enormous and almost dwarfs the village. It covers approximately 85 hectares of arable farm land, about 50% of which is high-grade agricultural land, graded BMV, or best and most versatile.

Under the current plan, work at the quarry will take place just 350 metres from the southern edge of the village. Although the county council has proposed measures to reduce dust, that will not prevent the prevailing winds from carrying dust over the village—a point borne out by the US research that I referenced. The dust from the quarry will contain silica, which can be extremely harmful to young children and the elderly. Silicosis, which originates from silicate particles entering the lungs, is best described to a lay person as like asbestosis: it is a killer. The proximity of Saint Peter's Primary School to the proposed site will put 170 students at particular risk. As I say, the impact of the Barford quarry is not limited to residents but will affect the local environment.

Communities up and down the country face the same challenges. The plans to build on the edge of Attenborough nature reserve—represented by my hon. Friend the Member for Nottingham South (Lilian Greenwood), who was kind enough to put her name to my Bill—could lead to even more substantial interference with nature than the quarry in my own constituency. We see the same issue in respect of Lea Castle Farm quarry in the constituency of the hon. Member for Wyre Forest (Mark Garnier). The site is situated bang in between two—possibly three—villages, with Wolverley to the west and Cookley to the north. The fact that there are four schools within a mile of the centre of the site demonstrates the seriousness of this country-wide issue.

Elsewhere, there are issues with the release of noxious gases from landfill sites—such as Walley's quarry at Silverdale in Staffordshire and Parry's quarry in Alyn—that

[Matt Western]

are close to communities, harmfully impacting the quality of life for residents. The Environment Agency has previously shown that hydrogen sulphide levels recorded at the Silverdale site have at times exceeded World Health Organisation guidelines. For the record, hydrogen sulphide is, of course, a poisonous, corrosive and dangerous gas. Children living just half a mile from Walley's quarry complain of chest problems, bronchiolitis and consistent coughs. Many more complain of severe irritation to their eyes, which is understandable if an acidic gas comes into contact with them.

Let me be clear: I am not against quarries; I am for legislation that ensures that all quarries and landfill sites are located a safe distance from our communities, villages and towns throughout the country, not at locations that favour the businesses or authorities that approve them. We need to ensure that the future need is precisely that. We know that we need to use recyclates more and that we need to use more sustainable materials in construction, so why are we continuing with plans based on the wrong methodologies and old technologies? The Office for National Statistics says that my constituency does not need the housing that my local council and the Government claimed we needed—in fact, the ONS forecasts our need as just half the original figure. I appreciate that any consideration of future planning contains an element of estimation, but it can always turn out to be either too conservative or too liberal. In that respect, the provisions in the Bill would have real force.

In summary, the Bill has three objectives: to create a presumption against granting permission for quarry developments in close proximity to settlements; to impose a requirement to assess the risks of proposed quarrying sites to health and the environment, as part of the planning process; and to make provisions related to the use of waste disposal of quarries. The first objective would, in essence, act as a safety valve for an over-liberal estimation of population sizes and settlement planning. At the same time, it would protect the current residents of neighbouring towns and villages. The provision is inspired by the actions of other countries: in Canada, there is a requirement that quarries have to be 600 metres from settlements, and other countries have introduced minimum distances. We now need to act. Given the science, I believe that the minimum distance should be set at 1,000 metres at least for silicates and noxious gases, as recommended by the research.

There is clearly a need for legislation to address this issue. In an Adjournment debate on this very issue that I secured in October 2019, the Minister who replied—the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Taunton Deane (Rebecca Pow)—concluded by admitting that she was

"unable to address the specific concerns"—[*Official Report*, 29 October 2019; Vol. 667, c. 344.]

that I had raised. That was no fault of the Minister at the time, but it was the fault of an ill-equipped planning system that fails to provide avenues for local residents to raise legitimate concerns about locally approved quarries. The Bill seeks to close that gap. Given that the World Health Organisation updated its guidance in September, I urge the Government to take the Bill extremely seriously.

In my final remarks, I wish to thank all the teams throughout the country—including the Eykyns, the Steels, Charlotte, Claire and many others—who are campaigning against planning applications. I am proud to promote this Bill and hope that it will be one step further towards protecting the health and wellbeing of local residents up and down the country against ignorant planning systems that do not align with local democratic wishes or recognise the health risks as we understand them today.

Question put and agreed to.

Ordered,

That Matt Western, Mark Garnier, Bob Seely, Daniel Zeichner, Dr Julian Lewis, Matt Rodda, Daisy Cooper, Mark Tami, Lilian Greenwood, Derek Thomas and Rosie Duffield present the Bill.

Matt Western accordingly presented the Bill.

Bill read the first time; to be read a Second time on Friday 28 January 2022, and to be printed (Bill 208).

Finance (No. 2) Bill

(Clauses 4, 6 to 8, Schedule 1, Clause 12, Clauses 27 and 28, Clauses 53 to 66, Clauses 68 to 71, Clauses 84 to 92, Schedules 12 and 13, Clause 93 and Schedule 14, and certain new Clauses and new Schedules)

[Relevant document: Oral evidence taken before the Treasury Committee on 1 (morning and afternoon), 8 and 18 November, on Autumn Budget and Spending Review 2021, HC 825.]

Considered in Committee

[Dame Eleanor Laing *in the Chair*]

Clause 4

Increase in Rates of Tax on Dividend Income

2.51 pm

Question proposed, That the clause stand part of the Bill.

The Chairman of Ways and Means (Dame Eleanor Laing): With this it will be convenient to discuss the following:

Clauses 6 to 8 stand part.

That schedule 1 be the First schedule to the Bill.

Amendment 5, in clause 12, page 10, line 44, at end insert—

', and at the end of section 32(1) insert ", but eligibility for the increased maximum annual allowance from 1 January 2022 to 31 March 2023 is available only to businesses which can demonstrate that they have taken steps to reduce carbon emissions within their own business models and have set out further steps for how they plan to reduce carbon emissions towards a net zero goal".'

This amendment would restrict access to the extended temporary increase in annual investment allowance to businesses that support transition to "net-zero".

Amendment 6, page 10, line 44, at end insert —

', and at the end of section 32(1) insert ", but eligibility for the increased maximum annual allowance from 1 January 2022 to 31 March 2023 is available only to businesses which do not have a history of tax avoidance".'

This amendment would restrict access to the extended temporary increase in annual investment allowance to businesses that do not have a history of tax avoidance.

Amendment 4, page 11, line 10, at end insert—

'(3) The Chancellor of the Exchequer must, no later than 5 April 2022, lay before the House of Commons a report—

(a) analysing the fiscal and economic effects of the temporary increase in annual investment allowance, and the changes in those effects which it estimates will occur as a result of the provisions of this section, in respect of—

(i) each NUTS 1 statistical region of England and England as a whole,

(ii) Scotland,

(iii) Wales, and

(iv) Northern Ireland; and

(b) assessing how the temporary increase in annual investment allowance is furthering efforts to mitigate climate change, and any differences in the benefit of this funding in respect of—

(i) each NUTS 1 statistical region of England and England as a whole,

(ii) Scotland,

(iii) Wales, and

(iv) Northern Ireland.'

This amendment would require the Chancellor of the Exchequer to analyse the impact of changes proposed in clause 12 in terms of impact on the economy and geographical reach and to assess the impact of the temporary increase in the annual investment allowance on efforts to mitigate climate change.

Amendment 7, page 11, line 10, at end insert—

'(3) In paragraph 2(3) of Schedule 13 of that Act—

(a) after "second straddling period is" insert "the greater of (a)"; and

(b) after "of that sub-paragraph" add "and (b) the amount (if any) by which the maximum allowance under section 51A of CAA 2001 had there been no temporary increase in the allowance exceeds the annual investment allowance qualifying expenditure incurred before 1 April 2023."'

This amendment would amend the transitional provisions for the reversion of the AIA to £200,000 on 1 April 2023, to ensure that smaller businesses with lower levels of qualifying capital expenditure are not disadvantaged by having their effective AIA limit restricted to significantly less than £200,000 for a period.

Clause 12 stand part.

New clause 1—*Review of the impact on revenues from tax on dividend income—*

'The Chancellor of the Exchequer must, within six months of the passing of this Act, publish an assessment of the impact on revenues from tax on dividend income of increasing the rates set out in section 8 of ITA 2007 by—

(a) 1.25%,

(b) 2.5%, and

(c) 3.75%.'

This new clause requires an assessment of what extra revenue would be derived by increasing the rates of tax on dividend income by different amounts.

New clause 2—*Review of the impact on revenues from banking surcharge—*

'(1) The Chancellor of the Exchequer must, within six months of the passing of this Act, publish an assessment of revenues from the banking surcharge.

(2) This review must consider—

(a) the total revenue raised by the banking surcharge since its introduction,

(b) the total public expenditure on supporting the banking sector since 2008, and

(c) an assessment of risks to the banking sector in the future including the likelihood of further public support being required.'

This new clause requires an assessment of the banking surcharge in the context of the cost of public support to banks since the financial crisis and an assessment of the risk of the need for further public support in future.

New clause 3—*Review of the impact of the extension of temporary increase in annual investment allowance—*

'The Chancellor of the Exchequer must, within three months of the end of tax year 2022-23, publish a review of decisions by companies to invest in the UK in 2022-23, which must report on which companies, broken down by size, sector, and country of ownership, have benefited from the annual investment allowance; and this assessment must also assess the merits of the existence of the superdeduction in light of the AIA.'

This new clause requires a review of which companies have benefited from the Annual Investment Allowance in 2022-23, broken down by size, sector, and country of ownership, and an assessment of the merits of the superdeduction in light of the AIA.

New clause 8—*Review of changes to taxation of dividend income—*

'(1) The Chancellor of the Exchequer must, not later than six months after the passing of the Act, lay before the House of Commons a review of the fiscal and economic effects of the changes in the taxation of dividend income resulting from the provisions of section 4 of this Act.

(2) The review under subsection (1) must also include an assessment of the fiscal and economic effects of—

(a) removing the personal dividend taxation allowance, and

(b) amending the dividend income rates of taxation to match the existing rates of taxation of earnings.'

This new clause would require the Government to report to the House on the fiscal and economic effects of the changes made by clause 4 to the rates of taxation of dividend income, and also to assess the effects of other changes to the taxation of dividend income.

New clause 10—*Assessment of annual investment allowance—*

'The Government must publish within 12 months of this Act coming into effect an assessment of—

(a) how much the changes to the annual investment allowance under section 12 of this Act will affect GDP in the event of the Finance Act coming into effect, and

(b) how the same changes would have affected GDP had the UK—

(i) remained in the European Union, and

(ii) left the European Union without a Future Trade and Investment Partnership.'

This new clause would require an assessment of the effects of the provisions in clause 12 on GDP in different scenarios.

New clause 11—*Review of temporary increase in annual investment allowance—*

'The Government must publish within 12 months of this Act coming into effect an assessment of

(a) the size, number, and location of companies claiming the increased annual investment allowance,

(b) the impact of this relief upon levels of capital investment, and

(c) the percentage of total business investments that were covered by this relief in 2019, 2020 & 2021.'

This new clause would require an assessment of the take-up and impact of the temporary increase in the AIA.

New clause 16—*Assessment of revenue effects of increases in the rates of tax on dividend income—*

'The Chancellor of the Exchequer must, no later than 31 January 2022, lay before the House of Commons an assessment of the effects on tax revenues of—

(a) the provision of section 4, and

(b) increasing the rates of tax on dividend income to the default rates of income tax.'

New clause 17—*Review of impact of the abolition of basis periods—*

'(1) The Chancellor of the Exchequer must, within six months of the passing of this Act, review the impact of the abolition of basis periods.

(2) The review must consider the effects of the abolition on—

(a) farmers and other seasonal businesses,

(b) sole traders, and

(c) partnerships.

(3) The review must consider the effects of the abolition in respect of—

(a) each region of England and England as a whole,

(b) Scotland,

(c) Wales, and

(d) Northern Ireland.

(4) In this section, "region" has the same meaning as that used by the Office for National Statistics.'

This new clause would require a report on the effects of the abolition of basis periods on particular sectors, including farming and other seasonal businesses, sole traders and partnerships.

The Financial Secretary to the Treasury (Lucy Frazer): In the Budget, the Chancellor set out his vision for an economy that will allow the UK to succeed. This was a vision of a fair, simple and modern tax system that enables our businesses to be world leaders. The clauses we are considering today, along with other measures in this Bill, will help us to achieve these goals. For example, on fairness, these measures will make sure that everyone plays their part in helping to fund new investment in health and social care. That is because the Bill provides that, in addition to the new health and social care levy, we will ask for an equivalent contribution from those who earn income through dividends. This will spread the burden more equally across society.

On tax simplicity, these measures will support the smaller businesses that are at the heart of our economy through reforming basis periods. That change will make the tax system easier and fairer for these firms.

On competition, we have set the rate of the bank surcharge to ensure that the UK remains internationally competitive while making sure that banks continue to pay their fair share of tax.

Finally, these measures will help businesses create jobs and growth by extending an increase in the annual investment allowance on plant and machinery assets. This will encourage firms across the country to invest more and earlier. I will now turn to each of these clauses in depth.

I shall start with clause 4. This increases the rate of income tax that is applied to dividend income by 1.25%. The increase will be used to help fund the health and social care settlement announced in the spending review. By way of background, dividend tax is paid by people who receive dividend income from shares. That income is not subject to national insurance contributions or to the new health and social care levy. The increase in dividend tax rates will mean that those with dividend income will also contribute to the health and social care settlement, just like employees, the self-employed and businesses.

As well as supporting the Government to fund this critical area of public services, the measure will deter individuals from cutting their tax bills by incorporating as a company and remunerating themselves via dividends rather than as wages. That is something that the Office for Budget Responsibility has pointed out as a potential risk. However, it is important to point out that many everyday investors will be unaffected by this change. That is because shares held in ISAs are not subject to dividend tax. In addition, because of both the £2,000 tax-free dividend allowance and the personal allowance, around 60% of those with dividend income outside of ISAs are not expected to pay any dividend tax or be affected by this change next year.

The measures contained in clause 4 are also progressive. We have calculated that additional and higher-rate taxpayers are expected to contribute more than three quarters of the revenue raised by the measures next year. In short, this clause supports the Government to fund public services and tackle the challenges in social care, but in a fair and progressive way.

I shall now turn to the proposed new clauses, 1, 8 and 16. These all call on the Government to publish information on the changes to dividend tax rates set out in clause 4 as well as on alternative potential changes to the dividend

tax system. The Government have already published an assessment of the fiscal and economic impacts of the 1.25% increase in tax rates on dividend income. The fiscal impacts were set out in the Budget document and the fiscal and economic impacts were both set out in the taxation information and impact notes for that measure. Both of these are available for the public to consider on gov.uk. It is not standard, however, for the Government to publish assessments of the fiscal and economic impacts of measures that they are not introducing and it is not clear in this case that doing so would be a beneficial use of public resources. I therefore recommend that the House rejects the new clauses.

I now turn to clause 6. Before turning to the bank surcharge itself, it is important to remember the overall context for this clause. From April 2023, corporation tax will rise from 19% to 25%. That increase, combined with a current banking surcharge rate of 8%, would have led to banks paying an effective rate of 33% on their profits. That is not competitive. Such a rate would have put us at a competitive disadvantage in relation to other major financial centres, such as the US, Germany and France. Clause 6 makes sure that banks pay their fair share of tax while remaining internationally competitive, protecting British job and tax receipts.

I know that the Opposition may like to bash banks, but it is important to remember that the banking sector accounts for almost half a million jobs across the country, and 65% of those jobs are outside London. Let us not forget that the sector contributes around £37 billion a year in tax revenue, ultimately paying for vital public services. The changes made in clause 6 will therefore support those jobs and protect that tax revenue while making sure, as I said, that banks pay their fair share. A surcharge rate of 3% will mean that banks pay an overall rate of 28% on their profits. That is, of course, more than the 27% that the banks now pay and above the 25% paid by most other businesses. In combination, the changes to corporation tax and the bank surcharge will result in banks paying an additional £750 million in tax over the period to 2026-27 based on current forecasts.

I should also point out that none of our global competitors charges an additional rate on banking profit. Clause 6 also increases the allowance above which banks pay the surcharge—from £25 million to £100 million. This new, increased allowance will support growth and competition for smaller, retail and challenger banks, benefiting consumers and businesses.

New clause 2 would require the Chancellor to publish an assessment of revenues from the bank surcharge since its introduction, of public expenditure on supporting the banking sector since 2008, and of future risks to the banking sector. The Government already publish figures on revenues raised from the bank levy introduced in 2011 and the banking surcharge introduced in 2016 in the Red Book at each Budget. On state support, as of 27 October this year the independent Office for Budget Responsibility estimated an implied balance, excluding financial costs, of £13.5 billion for the net direct effect from the public finances of financial sector interventions made as a result of the 2007-08 crisis. We must also remember that the costs of the financial crisis would almost certainly have been more significant in the absence of direct interventions.

3 pm

Since the financial crisis, we have introduced regulations that reduce the potential risk and shift costs away from the taxpayer. Indeed, today's banking system is much stronger than at the time of the financial crisis, and banks hold three times more capital. The Bank of England's Financial Policy Committee is required to publish two financial stability reports a year. The committee judged in September that the banking sector remains resilient to outcomes for the economy that are much more severe than the Monetary Policy Committee's central forecast—a judgment that is supported by the interim results of the Bank of England's 2021 solvency stress test. New clause 2 would therefore provide no new information, so I encourage Members to reject it.

Let me turn to clauses 7 and 8 on the technical but important issue of basis period reform. Clause 7 and schedule 1 abolish the basis period rules, simplifying how the self-employed and partners allocate their profits to tax years. The rules remove complexity, and ensure that taxes are declared and paid closer to the actual trading period. Clause 8 legislates to allow property businesses to treat accounts drawn up to 31 March as equivalent to the tax year, reducing the administrative burden on such businesses and simplifying their reporting responsibilities. Together, these reforms will create a simpler, fairer and more transparent set of rules for the allocation of trading income to tax years. This will make tax affairs much easier for small businesses, particularly in the first years of trading. Under the current complex rules, firms at this stage would otherwise have to deal with double taxation and later overlap relief.

New clause 17 would require the Government to produce a report on the impact of the abolition of basis periods, but the Government have already published a detailed impact assessment of basis period reform, and more information on impacts in the summary of responses to the consultation on reform. I therefore encourage Members to reject this proposed new clause.

Clause 12 is another measure that supports business. In this Bill, we are extending the £1 million temporary level of the annual investment allowance or AIA for 15 months until the end of March 2023. The AIA helps to tackle the long-standing problem of under-investment by UK businesses, by providing businesses with an up-front incentive to spend money on new equipment. It allows firms a 100% in-year tax relief on qualifying plant and machinery investments up to an annual limit, and simplifies tax for many businesses. In 2015, the Government set the permanent level of AIA at £200,000. At Budget 2018, the allowance was temporarily increased to £1 million for two years from 1 January 2019.

At this year's spring Budget, the £1 million level was extended for another year until 1 January 2022—a measure that was warmly received by businesses. The decision to continue this extension until the end of March 2023 reflects the pressing need to help the economy to recover from the coronavirus. As the Chancellor has said, now is not the time to reduce support for businesses investing in the UK's future growth and prosperity. This measure will encourage firms across the country to invest more and earlier by providing them with greater up-front support. It will also make tax simpler for any business investing between £200,000 and £1 million. Ultimately, the £1 million AIA level will mean that

more than 99% of businesses will have their plant and machinery expenditure covered. The extra investment will in turn help to spark growth, and create jobs and new opportunities around the country. I am not quite clear why the Opposition are opposed to the Government helping businesses to invest and grow.

New clause 3 would require the Government to review the investment decisions of businesses across the UK; classify businesses by size, sector and ownership; and assess the super deduction as a result. Moreover, it would require the Government to lay their findings before the House of Commons within three months of April 2023. Amendment 4, and new clauses 10 and 11, would also require assessments of the AIA for economic, geographical, environmental and Brexit impacts. The Government oppose these amendments on the basis that the Treasury carefully considers the impact of all measures on investment in all parts of the UK as a matter of course when preparing for the Budget.

At autumn Budget 2021, the Government set out detailed information on the Exchequer, macroeconomic, business and equality impacts of this provision. These assessments are not expected to change in the near future. Furthermore, the Government are already monitoring and evaluating the success of the reliefs, following the structured approach to evaluating tax relief, including capital allowances, that Her Majesty's Revenue and Customs began to set out in October 2020. The Government will publish results from this approach in due course. As a result, a further review would not be useful.

Amendment 5 would add a new requirement for companies to demonstrate to the Government that they are transitioning to net zero. I am pleased to say that the Government have championed greenifying our economy as a matter of priority. Dame Eleanor, you will be aware of Her Majesty's Treasury's work on net zero and its review, which is considering the costs and opportunities of net zero, how the transition could be funded, and how policy can help to maximise the benefits and minimise the costs of transition.

Amendment 6 would add an eligibility requirement that businesses must have no history of tax avoidance. Tackling tax avoidance and evasion, both nationally and internationally, is a priority for this Government. For example, we have introduced an additional 19 measures in 2021 to tackle avoidance, evasion and non-compliance that are forecast to raise £2.3 billion over the next five years. Having assessed the potential for fraud, abuse and tax avoidance, there are a number of safeguards in the legislation to prevent such abuse—for instance, the exclusion of connected party transactions. These amendments would create a compliance burden for businesses after such a tough year, and hold up the economic recovery for the purposes of objectives that the Government are already dedicated to working towards separately. As a result, they should not be added to the Bill.

Amendment 7 would make changes to the AIA's transitional rules for firms whose accounting periods straddle the AIA's £1 million limit. The limit and the super deduction are specifically aimed at helping the investment-led recovery, and giving businesses the confidence to bring forward their investment by March 2023. We are alive to the points raised by the Chartered Institute of Taxation, but we believe that businesses should have sufficient time to plan to take advantage of the maximum entitlement for the AIA for any investment.

I will not take up any more time. These measures support a fairer, simpler tax system that is globally competitive in an environment that allows businesses to continue to grow. I therefore move that clauses 4, 6, 7, 8 and 12 stand part of the Bill, and that schedule 1 be the first schedule to the Bill.

James Murray (Ealing North) (Lab/Co-op): The economy the British people need is one that works for all parts of the country, that meets the goal of net zero, and that improves people's quality of life. To achieve that, we need strong economic growth, yet we have a Chancellor who is failing at this most fundamental of tasks. In the first decade of this century, Labour grew the economy by 2.3% a year. In the past decade to 2019, however, even before the pandemic, the Tories grew it by just 1.8% a year, and now the Office for Budget Responsibility has said that by the end of this Parliament the UK's economic growth will have fallen to just 1.3% a year. If we had an economy that was growing strongly, we could create new jobs with better wages and conditions in every part of the country, but without that growth it gets ever harder to meet the challenges we face—and the truth is that low growth means that the Conservatives have had to put up taxes.

The tax burden in our country is set to reach its highest level in 70 years. Faced with the decision over which taxes to put up, where have the Tories chosen to let that tax burden fall? It is falling on the backs of working people who face a national insurance hike from this Chancellor at the same time as he cuts taxes for banks. In power, the Conservatives are showing themselves to be the party of low growth, high taxes, and the wrong choices for this country. The Tories are making the wrong choice by pressing ahead with clause 6, which cuts the rate of the banking surcharge and raises its allowance. That cut will see the corporation tax surcharge for banking charges slashed from 8% to 3%, with the allowance for the charge raised from £25 million to £100 million. It will cost the public finances £1 billion a year by the end of this Parliament.

We will oppose this clause and we have tabled new clause 2 to make sure that Members of this House do not forget why the banking surcharge was introduced in the first place. Let us not forget that following the financial crisis of the late 2000s, there was recognition that banks have an implicit state guarantee thanks to their central position in the UK economy. At the time, the Government seemed to realise that this guarantee should be underpinned by a greater tax contribution. Indeed, this has been a critical justification behind both the bank levy and the banking surcharge. The Government's own policy paper published alongside the October Budget clearly stated:

> "Since 2010, banks have been subject to sector-specific taxes. As a result they have made an additional contribution to public finances, reflecting the risks that they pose to the UK financial system and wider economy and recognising the costs arising from the financial crisis."

Yet despite appearing to acknowledge the justification behind this surcharge, the Government are today pushing ahead with slashing it by nearly two thirds.

That is why our new clause 2 would require the Government to publish a review that considers the total revenue raised by the banking surcharge since its introduction, alongside the total public expenditure on supporting the banking sector since 2008, and an assessment of risks to the banking sector in the future, including the likelihood of further public support being required. I would welcome the Government's support for such a review, but if it is not forthcoming, perhaps the Minister could explain why the need for banks to make an additional contribution to public finances is suddenly less now than it has been for the past decade. Without clear evidence from the Government, we can only go on what others say. Tax Justice UK has pointed out that

"it appears that the bank levy and bank surcharge will not even have fully repaid the public expenditure on the banking sector at the financial crisis; let alone provided any insurance against a future crash, before being cut".

It is clear that cutting this tax on banks is the wrong choice at the wrong time. At a time when the Government are being forced to raise taxes, it tells us everything we need to know about the Conservatives' instincts—that they have decided to cut taxes for banks while raising them for working people.

Elsewhere in the Bill, clause 4 also draws to our attention other choices the Government are making on taxes. Although the clause increases the rate of tax on dividend income, let us make no mistake over the context of this measure. When the Prime Minister set out the Government's plans for their new health and social care levy in September, he was rightly criticised by Members in all parts of the House for funding it overwhelmingly through taxes on working people and their jobs. At the time, the Prime Minister tried to soften the blow by claiming that the Government's tax plans were fair because the tax rise on working people would be accompanied by a tax rise on income from dividends. He said that a rise in dividend tax rates would mean the Government

"will be asking better-off business owners and investors to make a fair contribution too."—[*Official Report*, 7 September 2021; Vol. 700, c. 154.]

The Prime Minister was desperate to give the impression that this tax rise is not falling overwhelmingly on working people and their jobs.

Now, I am sure the Prime Minister would never be loose with his language, nor the truth, but let us look at the facts. The reality is that the dividend tax rise in clause 4 would raise just 5% of the total revenue needed for the health and social care levy. The rest of that tax bill—95% of its total, or £11.4 billion a year—will land on working people and their jobs. The Government do not seem to have considered asking those receiving income from dividends to take a greater share of the burden, the impact of which our new clause 1 asks them to assess.

3.15 pm

Whatever Ministers may say in this House, their own official documents make it clear that their approach is hitting working people the hardest. Just look at the Government's policy paper, "Increase of the rates of Income Tax applicable to dividend income", published on 27 October. We welcome the fact that it says:

"This measure is not expected to have a material impact on family formation, stability or breakdown."

However, this stands in stark contrast to their policy paper, "Health and Social Care Levy", published on 9 September, which says:

"There may be an impact on family formation, stability or breakdown as individuals, who are currently just about managing financially, will see their disposable income reduce."

It is an insult for the Government to claim that these two tax changes are somehow fair and equal when, again, the truth is that the wellbeing of working people seems to be nowhere near the front of Ministers' minds.

It is not just in relation to working people that we question the Government's approach. We also question whether they are spending wisely and targeting business support towards the companies and traders who need it most. While we welcome the extension by clause 12 of the temporary increase in the annual investment allowance through to 31 March 2023, this raises questions about the Government's wider approach to spending public money wisely. The Committee may remember that in May this year the Government introduced a new super deduction—a measure giving companies a 130% capital allowance on qualifying plant and machinery investments from April 2021 until the end of March 2023. At the time, I questioned the former Financial Secretary to the Treasury over who this expensive tax break was designed to help. We were concerned, because one thing was clear: it did not seem to be targeted at small and medium-sized businesses. Such businesses could already benefit from the annual investment allowance giving a 100% tax break on investment up to £1 million.

The previous Financial Secretary clearly stated in a written statement of 12 November 2020 that the annual investment allowance:

"Simplifies taxes for the 99% of businesses investing up to £1 million on plant and machinery assets each year."

The current Financial Secretary has spoken in similar terms, and indeed the Treasury Committee concluded in its report published in February this year, "Tax after coronavirus", that the annual investment allowance

"appears well targeted to promote growth in small and medium-sized enterprises."

Through clause 12, the temporary increase in the annual investment allowance is being extended so that it will now end at the same time as the super deduction. With small and medium-sized enterprises now able to keep benefiting from the higher annual investment allowance until March 2023, it must surely be time for the Government to revisit and review the merits of the existence of the super deduction. When it was introduced, the Chancellor made it clear that it would cost £25 billion over two years. The very least the Government should do is to make sure they are spending public money wisely. That is why I urge Ministers to follow our new clause 3 and look again at the super deduction to be clear whether it offers value for money.

Clauses 7 and 8 and schedule 1 relate to the abolition of basis periods. In broad terms, we welcome steps that remove complexities and make it easier for taxpayers to understand their tax position. However, we are conscious of points raised by the Chartered Institute of Taxation, including the fact that HMRC estimates that 75,000 unrepresented sole traders do not have a 31 March or 5 April accounting year end. As the CIT makes clear, these people will be affected by the proposed changes and will have to decide whether to change their accounting period end in 2023-24. To make such a decision, it is

important that they have the right level of support from HMRC at the right time. I would therefore welcome the Minister's explanation of what support will be in place specifically to help people with their response to these proposed changes. We want to be reassured that support will be in place, that the traders who need that support most can get it and that the changes are fair.

The question of fairness is at the heart of this debate. Fairness is a fundamental British value, yet it is one that the Government just do not get. This Government's decade of low growth with no end in sight is forcing them to put up taxes, and their tax rises are hitting working people hardest, when those with the broadest shoulders should be paying more. After the national insurance hike for working people that they pushed through in September, today we have a hollow attempt to make their plans look a bit fairer, but the truth is that the tax on working people and their jobs still amounts to a tax bill 19 times the size of that which falls on better-off business owners and investors. Today, we have a billion-pound-a-year tax cut for banks when taxes are going up for working people. We will be opposing those plans, as they are not what our country needs.

The British people need a Government who will tax fairly, spend wisely and, crucially, grow the economy in every region and nation. With the Tories, all we get is low growth, high taxes, and the wrong choices for our country.

Richard Thomson (Gordon) (SNP): It is a pleasure to speak in this section of our consideration of the Finance Bill. At the outset, may I just say that notwithstanding the valiant efforts of the Minister to try to persuade me otherwise, I will still be pressing amendments 5, 6 and 7 and new clauses 10 and 11 in my name and those of my colleagues?

Before I get to the nub of amendment 5, it is always important to place on record, when dealing with matters such as finance, that we are also dealing with a climate emergency. It is very important that we are using every single resource and every single incentive that we have at our disposal to encourage a move to net zero across the public sector and the private sector, and as quickly as possible.

Amendment 5 would restrict access to the extended temporary increase in the annual investment allowance to businesses that support a transition to net zero. To go back to a previous life, I was once the joint leader of Aberdeenshire Council. I think I am right in saying—I have no objection to being corrected by anyone in the Chamber, or anyone outside the Chamber who happens to be watching this—that we were the first local authority in the UK to introduce a carbon budget and to put it on an equal footing in governance with the capital budget, the revenue budget and the housing revenue allowance budget. It was therefore considered on exactly the same basis, and every single measure we were taking, whether in policy or budgetary terms, was worked through so that the carbon impact was understood and the emissions that resulted from activities were always on a downward trajectory.

That is exactly the sort of net zero philosophy that needs to be baked into the private sector. One way we could do that is by making qualifying for the allowance contingent on companies having taken steps to reduce carbon dioxide in their business model and how they go about their business, but we could also challenge companies on how they will build further on the progress they have made in reducing carbon dioxide. That seems to me a sensible measure and a proportionate approach, and I commend it to colleagues.

I will move on to amendment 6. I do not doubt the good intentions and best endeavours of the Government in trying to address tax evasion at any level, but it was nevertheless extraordinary to hear the Minister suggest that requiring companies to demonstrate their tax compliance would represent an onerous burden on them. This is pretty basic, baseline, default stuff. We should expect businesses to comply with the tax code and to pay their taxes in full and on time to the best of their abilities and not to try to avoid that. People want to see businesses and others succeed, but they also want to know that others are playing by the rules, and that is particularly the case for businesses. We want businesses to do well by competing and being the best that they can be, but we want to see them succeed on the basis of the quality and effectiveness of what they do, rather than by being incentivised perversely not to contribute to the common good and to undercut their more scrupulous competitors.

We often hear from the Government Dispatch Box that there is no such thing as tax revenues without businesses, but we miss the other side of the balance sheet and the other side of the equation: it is much, much harder for businesses to succeed without the high quality of the public goods that they consume, whether that is an educated population, a health service, investment in our infrastructure, the provision of a stable market, law and order and the emergency services—everything else that is fundamental to underpinning the activities of the society we live in. Fundamentally, tax cuts of this kind should be going to businesses that play by the rules and do not undercut their competitors by not playing by the rules. It is important to incentivise and reward that good behaviour, and that is precisely what amendment 6 would do.

We tabled amendment 7 to ensure that smaller businesses with lower levels of qualifying capital expenditure were not disadvantaged in any way by having their annual investment allowance limits restricted. Again, the amendment would ensure that we are playing fair for those who play by the rules.

Moving on to new clauses 10 and 11, it is very important that the measures we have in the Finance Bill or any legislation have the intended effects, that we can see whether they are having those intended effects and that we can quantify that and ensure, so far as is possible, that we are avoiding any adverse, unforeseen consequences. New clause 11 would insist that the Government publish within 12 months an assessment of the size, number and location of companies claiming the increased annual investment allowance; the impact of the reliefs on levels of capital investment, to see that we are getting the desired outcome from that reduction; and the scope of total business investments that are being covered by the relief, to see whether it is helping to drive investment and growth in the economy. That should be a fundamental set of baseline assessments that the Government should wish to undertake. New clause 11 would ensure that happens.

Moving on to new clause 10, and from unforeseen adverse circumstances to entirely foreseeable adverse circumstances, Brexit continues to be a millstone around the neck of businesses and families, and it is important that we understand the continued consequences and ramifications of choices that have either been made freely or, in the case of the area I represent and the people of Scotland, been forced upon us.

A programme I used to like watching on television on a Sunday afternoon was "Bullseye" with Jim Bowen. I do not know if anyone remembers that. His catchphrase at the end when the contestants did not do nearly as well as they had hoped—they had gone for that 101 with six darts and had sadly fallen short—was, "Let's have a look at what you could have won." New clause 10 is about having a look at what we could have won. It would ensure that the Government carry out an assessment of how the changes in the annual investment allowance would have affected our GDP had we remained in the European Union and had we left with that future trade and investment partnership in place.

Finally, I turn to clause 6 and the banking surcharge. My party was happy to support the increase in corporation tax generally, but people still bear the scars of the 2010 banking crisis. They believe that, in the spirit of fairness, the banks should make a fair contribution, not just to help businesses to grow and develop to make sure that the economy is growing and that they are making the best contribution they can, but to ensure that they are repaying some of the harm caused by the reckless approach to banking in the lead-up to the financial crash. Many people will look askance at the reduction in the surcharge, notwithstanding the increase in the corporation tax rate generally, and will feel that banks are not fulfilling their proper roles as prudent lenders or their social responsibilities but seem to be getting off the hook.

3.30 pm

To take an example from close to home, yesterday, TSB Bank announced a series of branch closures across my constituency and further afield. The retreat of banks from the high street is highly regrettable, especially as it has happened while the Government have had a share in their ownership. If banks are going to behave in that way, it is imperative that we make absolutely certain that they make the fullest possible financial contribution to not just the health of the economy but the common good.

On the national insurance hike, it has been said many times—I make no apology for saying it again—that it breaks a clear manifesto promise of the Conservative party. Even with the increase in dividend taxes in the Bill, the burden still falls disproportionately on the shoulders of the lowest earners, the youngest and those with the fewest assets. We have to ask ourselves whether the Government are on the side of those who work hard, play fair and appreciate the urgency of the climate emergency that we face. Sadly, given the Bill and their opposition to the amendments that have been tabled, I have to say that the answer is no.

Christine Jardine (Edinburgh West) (LD): I confirm that the Liberal Democrats will not be supporting the Bill and will be supporting the Opposition amendments. There are several specific reasons for that, which I have expressed previously, including that the Bill fails to address the cost of living crisis in this country and fails to adequately address the need to have and to shift to a greener, more sustainable economy. It also fails to address the concerns that the hon. Member for Gordon (Richard Thomson) expressed about the changes to the banking surcharge, which strike many people in the country as inappropriate at the moment.

I will focus on one issue that is dealt with by new clause 17, which has been tabled by my party. The Minister mentioned the innocuously titled basis pay rate and the basis period reform. One of the frustrating things about the Bill is that the more we look into the detail, the more we find to object to. Hidden in it are huge accounting changes that will make life much harder for tens of thousands of farming businesses, and other partnerships and sole traders around the country. Under the basis period reform, farmers will have to submit two tax returns instead of one, doubling their administrative burden.

Proud farming communities from Shetland to Shropshire are worried about the costs and burdens that will come with those changes. In Shropshire alone, there are more than 6,000 partners and directors in the sector who are likely to be affected by the reforms. Like many others from communities in the so-called blue wall, they find that the Government are taking them for granted and saddling them with administrative burdens and costs—and yet more promises that somehow seem to be ignored. They will force farmers to submit estimated tax returns when there is no good way of knowing the value of a crop yield when it is still in the ground.

We would like Ministers to put those plans on hold immediately and listen to farmers' concerns. They should at least offer them an extended deadline, so that they do not have to estimate their profits but can submit just one final tax return. They should also explore the options laid out by the Office of Tax Simplification about changing the tax year to a 31 December end date. Farmers across the country have already seen their basic payments cut by at least 5% and could be facing even more costs. They deserve better. This is unfair and counterproductive, and it is yet another reason why people are disappointed with what they have heard about this Finance Bill.

Therefore, the Liberal Democrats will not vote to support the Bill, but we will support the Opposition amendments.

Richard Burgon (Leeds East) (Lab): As always, it is a pleasure to serve under your chairship, Dame Eleanor. I wish to speak in support of new clause 16, which is in my name, and new clause 8, which has been tabled by my hon. Friend the Member for Hemsworth (Jon Trickett).

Both new clauses aim to tackle the gross injustice of taxes on share dividends being set at less than income tax rates. They are both part of a wider push for tax justice and wealth taxes—a push made ever more urgent by the growing inequality that we have seen throughout the pandemic. I also support the new clause on this issue from the Leader of the Opposition and the new clause on the banking surcharge. It is shameful that the Government are cutting taxes for banks while increasing the tax burden on working families.

[Richard Burgon]

Faced with a backlash over their plans to impose tax rises on working people, the Government made a very limited change, increasing the taxes on share dividends by 1.25%. That was done to try to give the impression that they were sharing the burden of the so-called health and care levy equally between ordinary working people and those lucky enough to live off their wealth. But that was just smoke and mirrors, done solely to deflect the media and distract the public, not to help to actually secure economic justice. That is obvious from the amounts that will be raised by the so-called health and social care levy. The national insurance increases will raise £11.4 billion a year, while the increases in tax on share dividends will raise just £600 million a year. We need to be clear about this: the Government's change is woefully inadequate.

However, this can act as a watershed moment when we finally get to grips with the great injustice in our tax system that wealth is often taxed at much lower rates than income tax. It is clear, is it not, that our economy is rigged in the interests of the 1%? That has become even clearer during the pandemic, when we have seen the corrupt contracts that have been handed out or the fact that the billionaires have increased their wealth by £290 million a day while food bank use has hit record levels. How completely grotesque.

Our tax system is also rigged in the interests of the top 1%. One obvious way in which that happens is that those with wealth get special discounts on their tax rates. They pay lower tax rates than the vast majority, who have to go out to work day in, day out. My new clause seeks to put a stop to that racket, to that injustice. Why on earth is someone lucky enough to have inherited millions of pounds of shares and who now lives comfortably off their annual share dividends allowed to pay a lower rate of tax than people who have to go to work day in, day out? That is completely unfair and completely unjustifiable. It needs to change. Economic justice demands change, and my new clause would deliver that. It would raise tens of billions of pounds that could go towards funding a national care service, for example, in a progressive way by taxing wealth and not by hitting the pockets of working people.

Let us look at how this rigged system works in practice for those lucky enough to be in the top 1% of incomes. They currently have to pay a 45% rate of tax on income but pay way less on earnings from share dividends: just 38.1%. That tax discount applies even though payments to shareholders primarily go to a very wealthy minority. One quarter of the total income of the richest 1% is generated from dividends and partnership income alone.

The Government try to give the impression that we somehow live in some kind of shareholding democracy where everybody has an equal stake in owning shares, but I am afraid that that is just not true. TUC research shows that UK taxpayers earning over £150,000, which is just 1% of all taxpayers, captured about 22% of all direct income from UK dividends, so the wealthiest accumulate their money from share dividends instead of working, and the Government reward them for this with a tax discount. That is totally unjustifiable, totally unreasonable and totally indefensible.

The changes I have called for in new clause 16 would raise billions for the Treasury—billions that could go towards funding a national care service. Institute for Public Policy Research calculations in 2019 estimated that this would raise £29 billion over the lifetime of this Parliament, even after accounting for behavioural changes. But I am afraid the Conservative party does not want to tax the income of the super-rich who bankroll the party. This new clause has been tabled as an opportunity for the Government to really tackle the injustice in our taxation. It is absolutely outrageous and it needs to change, and that is why I put down this amendment.

Lucy Frazer: I will take the opportunity to respond to some of the points that have been made on the Bill, and I will start with those made by the hon. Member for Ealing North (James Murray). He started by suggesting that there was not a sufficient growth rate in the economy, but what the Budget documents show and the OBR has said is that there will be growth year on year for every year in the Budget forecasts.

The hon. Gentleman asked me to come back to him on cutting taxes for banks. I do not think he heard some of the points I made in my speech, because I did mention that the tax the banks are paying is not actually reducing, but increasing. I think he did not hear me say that they will be paying an additional £750 million in tax over the period to 2026-27, based on current forecasts.

The hon. Gentleman talked quite a lot about fairness—fairness to working people—and he suggested that the rise in the dividend payment was not fair. I do not accept that. What we have calculated is that the additional higher rate taxpayers are expected to contribute over three quarters of the revenue raised by this measure next year. It is interesting to note that the Resolution Foundation thought that this measure was indeed fair. It said that it welcomed the

"moves to address some of the fairness problems"

that came with choosing to focus on the tax increase on national insurance by raising dividend taxation.

The hon. Gentleman asked me a specific practical question on what support will be provided to traders who are affected by basis period reform, and I am very pleased to get back to him on that. I would like to reassure him that more than 80% of affected businesses are represented by a tax agent, but HMRC is currently exploring how best to help unrepresented taxpayers through basis period reform.

The hon. Member for Gordon (Richard Thomson) rightly talked about the importance of getting to net zero. He will know—he will have attended many debates in this House and I am sure he will have read our net zero strategy—about the emphasis the Government place on net zero. He talked about his work in Aberdeenshire, so I hope that he welcomes the investment we have made in that area in Scotland. We continue to deliver on important existing commitments in Scotland, including £27 million for the Aberdeen energy transition zone and £5 million for the global underwater hub, which will help support Scotland's standing as a world leader in clean energy.

The hon. Gentleman also mentioned the important issue of playing by the rules, which Conservative Members think, as he does, is very important. I am sure he will be

pleased to know that, since 2010, the Government have introduced over 150 new measures and invested over £2 billion extra in HMRC to tackle fraud.

The hon. Member for Edinburgh West (Christine Jardine) mentioned the cost of living. Obviously, many of the spending measures are in the spending review, rather than in the Finance Bill, so I hope she will not mind my mentioning some of our spending measures. The significant tax cut for people on universal credit, and the raising of the national living wage, are two measures that are really helping those on lower incomes.

3.45 pm

The hon. Lady also mentioned the abolition of basis periods, and our basis period reform, and one of the first decisions I made as Financial Secretary to the Treasury was to extend the period before we bring in that measure, to ensure that everybody is ready for it. The measure has considerable support among stakeholders. Indeed, the Low Incomes Tax Reform Group, which does a lot of work to help those on low incomes, said:

> "We support the general principle of these new proposals as they mean complicated rules around basis periods become obsolete…This is a simpler concept to understand for unrepresented taxpayers."

Before I conclude, let me mention one point raised by the hon. Member for Leeds East (Richard Burgon), who went on and on about how the wealthiest should pay the most. Of course those with the broadest shoulders should pay more, and indeed they do, as the top 50% pay 90% of tax in this country. For all those reasons, I commend clauses 4, 6, 7, 8, 12 and schedule 1 to the Committee.

Question put and agreed to.

Clause 4 accordingly ordered to stand part of the Bill.

Clause 6

RATE OF SURCHARGE AND SURCHARGE ALLOWANCE

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 301, Noes 206.

Division No. 126] [3.47 pm

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Atherton, Sarah
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baker, Mr Steve
Baron, Mr John
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Bhatti, Saqib
Blackman, Bob
Bone, Mr Peter
Bradley, Ben
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Simon
Clarke, Theo
Clarke-Smith, Brendan
Clarkson, Chris
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, rh Sir Geoffrey
Crabb, rh Stephen
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Davison, Dehenna
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donelan, rh Michelle
Dorries, rh Ms Nadine
Double, Steve
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Edwards, Ruth
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, rh Sir Roger
Garnier, Mark
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Glen, John
Goodwill, rh Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Jenrick, rh Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, rh Sir Greg
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Levy, Ian
Lewer, Andrew
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome

Maynard, Paul
McCartney, Jason
McPartland, Stephen
McVey, rh Esther
Menzies, Mark
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Milling, rh Amanda
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Mortimer, Jill
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Paisley, Ian
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Philp, Chris
Pincher, rh Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Pritchard, rh Mark
Pursglove, Tom
Quince, Will
Raab, rh Dominic
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Robertson, Mr Laurence
Robinson, Mary
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Shelbrooke, rh Alec
Simmonds, David
Smith, Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trott, Laura
Vara, Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Sir Charles
Walker, Mr Robin
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Wilson, rh Sammy
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Ayes:
Alan Mak and
Amanda Solloway

NOES

Abbott, rh Ms Diane
Abrahams, Debbie
Ali, Rushanara
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Bardell, Hannah
Barker, Paula
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Ms Lyn
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Sir Alan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Charalambous, Bambos
Cherry, Joanna
Cooper, Daisy
Cowan, Ronnie
Creasy, Stella (*Proxy vote cast by Chris Elmore)*
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Daby, Janet
Davey, rh Ed
Davies, Geraint
Davies-Jones, Alex
Day, Martyn
De Cordova, Marsha
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doogan, Dave
Doughty, Stephen
Dowd, Peter
Duffield, Rosie
Eagle, Maria
Eastwood, Colum
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Farry, Stephen
Fellows, Marion
Ferrier, Margaret
Flynn, Stephen
Fovargue, Yvonne
Foxcroft, Vicky
Foy, Mary Kelly
Gardiner, Barry
Gibson, Patricia
Gill, Preet Kaur
Grady, Patrick
Grant, Peter
Green, Kate
Green, Sarah
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanna, Claire
Hardy, Emma
Harman, rh Ms Harriet
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hillier, Dame Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart
Howarth, rh Sir George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, Ruth
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kinnock, Stephen
Kyle, Peter
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Leadbeater, Kim
Lewell-Buck, Mrs Emma
Lewis, Clive
Linden, David
Long Bailey, Rebecca
Lucas, Caroline
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Maskell, Rachael
Mc Nally, John
McCabe, Steve
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Mishra, Navendu
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Owen, Sarah
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qaisar, Ms Anum
Qureshi, Yasmin
Rayner, rh Angela

Reed, Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rodda, Matt
Sharma, Mr Virendra
Siddiq, Tulip
Slaughter, Andy
Smith, Alyn
Smith, Cat
Smith, Jeff
Smith, Nick
Sobel, Alex
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, rh Nick
Thompson, Owen
Thomson, Richard
Timms, rh Stephen
Turner, Karl
Vaz, rh Valerie
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Wilson, Munira
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Noes:
Liz Twist and
Lilian Greenwood

Question accordingly agreed to.

Clause 6 ordered to stand part of the Bill.

Clauses 7 and 8 ordered to stand part of the Bill.

Schedule 1 agreed to.

Clause 12 ordered to stand part of the Bill.

New Clause 10

ASSESSMENT OF ANNUAL INVESTMENT ALLOWANCE

'The Government must publish within 12 months of this Act coming into effect an assessment of—

(a) how much the changes to the annual investment allowance under section 12 of this Act will affect GDP in the event of the Finance Act coming into effect, and

(b) how the same changes would have affected GDP had the UK—

(i) remained in the European Union, and

(ii) left the European Union without a Future Trade and Investment Partnership.'—*(Richard Thomson.)*

This new clause would require an assessment of the effects of the provisions in clause 12 on GDP in different scenarios.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 52, Noes 307.

Division No. 127] [4.2 pm

AYES

Bardell, Hannah
Black, Mhairi
Blackman, Kirsty
Bonnar, Steven
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Cherry, Joanna
Cooper, Daisy
Cowan, Ronnie
Crawley, Angela
Davey, rh Ed
Day, Martyn
Docherty-Hughes, Martin
Doogan, Dave
Eastwood, Colum
Edwards, Jonathan
Farron, Tim
Farry, Stephen
Ferrier, Margaret
Flynn, Stephen
Gibson, Patricia
Grady, Patrick
Grant, Peter
Green, Sarah
Hanna, Claire
Hendry, Drew
Hobhouse, Wera
Hosie, rh Stewart
Jardine, Christine
Lake, Ben
Law, Chris
Linden, David
Lucas, Caroline
Mc Nally, John
McDonald, Stuart C.
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Oswald, Kirsten
Qaisar, Ms Anum
Smith, Alyn
Stephens, Chris
Stone, Jamie
Thewliss, Alison
Thompson, Owen
Whitford, Dr Philippa
Wilson, Munira
Wishart, Pete

Tellers for the Ayes:
Marion Fellows and
Richard Thomson

NOES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Atherton, Sarah
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baker, Mr Steve
Baron, Mr John
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bradley, Ben
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Simon
Clarke, Theo
Clarke-Smith, Brendan
Clarkson, Chris
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, rh Sir Geoffrey
Crabb, rh Stephen
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Davison, Dehenna
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donelan, rh Michelle
Dorries, rh Ms Nadine
Double, Steve
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Dunne, rh Philip
Edwards, Ruth
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Frazer, rh Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, rh Sir Roger
Garnier, Mark
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Glen, John
Goodwill, rh Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris

Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, Tom
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Jenrick, rh Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, rh Sir Greg
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Levy, Ian
Lewer, Andrew
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCartney, Jason
McCartney, Karl
McPartland, Stephen
McVey, rh Esther
Menzies, Mark
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Milling, rh Amanda
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Paisley, Ian
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Philp, Chris
Pincher, rh Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Pritchard, rh Mark
Pursglove, Tom
Quince, Will
Raab, rh Dominic
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Robertson, Mr Laurence
Robinson, Mary
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Shelbrooke, rh Alec
Simmonds, David
Smith, Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trott, Laura
Vara, Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Sir Charles
Walker, Mr Robin
Warburton, David
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Wiggin, Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Wilson, rh Sammy
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Noes:
Alan Mak and
Amanda Solloway

Question accordingly negatived.

Clause 27

APPLICATION OF SECTION 124 OF TIOPA 2010 IN RELATION TO DIVERTED PROFITS TAX

Question proposed, That the clause stand part of the Bill.

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): With this it will be convenient to discuss the following:

Government amendments 2 and 3.

Clause 28 stand part.

Clauses 53 to 66 stand part.

Clauses 84 to 90 stand part.

That schedule 12 be the Twelfth schedule to the Bill.

Clause 91 stand part.

That schedule 13 be the Thirteenth schedule to the Bill.

Clause 92 stand part.

New clause 5—*Reviews of Economic Crime (Anti-Money Laundering) Levy—*

'(1) The Government must publish a review of the operation of the Economic Crime (Anti-Money Laundering) Levy by 31 December 2027.

(2) The Government must publish on 31 December each year until the establishment of a register of beneficial owners of overseas entities that own UK property—

(a) an assessment of the contribution to the effectiveness of the Levy that such a register would make; and

(b) an update on progress toward implementing such a register.'

This new clause will put into law the Government's commitment to undertake a review of the Levy by the end of 2027, and require them to publish an assessment every year until a register of beneficial owners of overseas entities that own UK property is in place an assessment of what impact such a register would have on the effectiveness of the Levy, and progress toward the register being established.

New clause 7—*Reporting on provisions relating to publication of information about tax avoidance schemes*—

'(1) The Chancellor of the Exchequer must, within three months of the passing of this Act, lay before the House of Commons and publish a review of the impact of measures contained within this Act that relate to the publication by HMRC of information about tax avoidance schemes.

(2) The review undertaken by the Chancellor under subsection (1) must include commissioning an independent assessment of the information published by HMRC about disguised remuneration loan schemes.

(3) The independent assessment under subsection (2) must include consideration of the following with respect to the purposes set out in section 85(1)(a) and (b) of this Act—

(a) HMRC's approach to the loan charge scheme; and

(b) recommendations for altering that approach.

(4) The Government must before the review commences make a statement to the House of Commons stating what efforts have been taken to guarantee the independence of the assessment under subsection (2).

(5) The Government must within three months of the publication of the review under subsection (1) make a statement to the House of Commons stating which of any recommendations under subsection (3)(b) it will be accepting, and give reasons for any decision not to accept one or more of those recommendations.

(6) The Government must every six months after the publication of the review in subsection (1) make a statement to the House of Commons stating what progress has been made towards implementing any of the recommendations that arise from subsection (3)(b) which the Government has accepted.'

This new clause would require the Government to review the impact of measures contained in clause 85 of the Bill, and as part of that to commission an independent review of the information published by HMRC about disguised remuneration loan schemes. This independent assessment must consider HMRC's approach to the loan charge scheme and consider recommendations for altering that approach, and the Government would be required to state to the House its response to the recommendations.

New clause 12—*Assessment of Economic crime (anti-money laundering) levy*—

'The Government must publish within 12 months of the Act coming into effect an assessment of the impact of Part 3 of this Act (Economic crime (anti-money laundering) levy) on the tax gap and how it has affected opportunities for tax evasion, tax avoidance, and other economic crimes.'

This new clause would require an assessment of the impact of the Economic crime (anti-money laundering) levy on the tax gap and on opportunities for tax avoidance, evasion and other economic crimes.

New clause 13—*Review of avoidance provisions of sections 84 to 92 on the tax gap*—

'The Government must publish within 12 months of the Act coming into effect an assessment of the provisions in sections 84 to 92 of this Act on the tax gap in the UK.'

This new clause would require an assessment of the impact of the provisions on tax avoidance in clauses 84 to 92 on the tax gap.

New clause 14—*Review of provisions of section 85 and publication of information on overseas property ownership*—

'(1) The Government must publish within 12 months of this Act coming into effect an assessment of the impact of the provisions of section 85 about the publication by HMRC of information about tax avoidance schemes.

(2) This assessment must include consideration of the impact of the publication of a register of overseas property ownership upon the promotion of tax avoidance in the UK.'

This new clause would require an assessment of the impact of the provisions of clause 85, and consideration of the impact of publishing a register of overseas property ownership.

New clause 15—*Review of Economic crime (anti-money laundering) levy rates*—

'(1) The Government must within six months of the Economic crime (anti-money laundering) levy coming into effect lay before the House of Commons an assessment of the effectiveness of rates of the levy in section 54(2) in achieving the levy's objectives.

(2) The assessment under (1) must also make an assessment of how the effectiveness of the levy would be changed if each of the rates of the levy in section 54(2) were (a) doubled and (b) tripled.'

This new clause would require the Government to assess the effectiveness of the proposed levy rates and of levy rates twice and three times as high.

Lucy Frazer: This Government are committed to making the UK a hostile place for economic crime and illicit finance. In recent years, the Government have taken major steps to achieve this goal. For instance, our landmark 2019 economic crime plan set out 52 actions to be taken by both the public and private sectors to ensure that the UK is not exploited by such criminals. However, as we set out in our report on progress on the economic crime plan earlier this year, both the public sector and the private sector must contribute if we are to deliver these reforms. The Bill therefore introduces a new economic crime levy, which aims to raise around £100 million a year to help to fund additional action on money laundering. The revenue raised through the levy will supplement the Government's investment, announced at this year's spending review, of £18 million in 2022-23 and £12 million a year in 2023-24 and 2024-25 to tackle fraud and money laundering.

The Bill also introduces new powers and penalties to clamp down further on tax avoidance, tax evasion and other forms of non-compliance, building on the Government's strong record in this area.

4.15 pm

Dame Margaret Hodge (Barking) (Lab): I find the Minister's introduction quite extraordinary, given that money laundering, fraud and economic crime are on the rise even on the National Crime Agency's own figures. Has she had regard to the revelations in, most recently, the Pandora papers or the FinCEN papers, where it is seen that Britain, more than any other jurisdiction, is at the heart of economic crime, fraud, corruption and money laundering?

Lucy Frazer: The right hon. Lady is very committed and has done a lot of work in this area, but I would point out that the Government have introduced a number of measures to tackle fraud. Since 2010, the Government have introduced more than 150 new measures and invested more than £2 billion extra in HMRC to tackle fraud, and that action has so far secured and protected more than £288 billion-worth of revenue. This is money that would otherwise have gone unpaid.

We recognise there is more to do. Although most promoters of tax avoidance schemes have been driven out of the market, we know a determined group remains. The Bill addresses that group by disrupting their business models, by providing taxpayers with more information on schemes and by targeting offshore promoters. The Bill also takes steps to combat electronic sales suppression and tobacco duty evasion, ensuring everybody pays their fair share.

[Lucy Frazer]

This Government have a strong record of tackling both economic crime and non-compliance in the tax system, and the Bill builds on the steps we have already taken to protect UK security and prosperity.

Dame Margaret Hodge: There is a difference between the action taken on tax avoidance and the growth of economic crime, money laundering and all that goes with it, such as the funding of terrorism and drug smuggling. I have become far more concerned about that in recent years, because Britain has become the jurisdiction of choice. Although I accept that action has been taken and that HMRC officials are working hard to tackle tax avoidance, can the Minister really justify that the work is sufficient when big tech companies such as Amazon and Google get away with paying such minuscule amounts of tax on the profits they make in this jurisdiction?

Lucy Frazer: The right hon. Lady conflates a number of points. She knows that HMRC and the Serious Fraud Office play an important role in cracking down on crime. Work is ongoing, and the Bill does two things: it introduces the economic crime levy, which will bring in £100 million; and it tackles promoters who sell schemes. We have an economic crime plan that has a large number of measures that address this area in broader terms.

Clauses 53 to 66 introduce the new economic crime—anti-money laundering—levy. As I mentioned, the levy will aim to raise about £100 million per year. Funds raised will help to support action to combat illicit finance in the UK while providing the Government with greater scope to tackle emerging risks and improve enforcement across the economy.

The levy will take effect from April 2022, with the first payments collected in the financial year 2023-24. The levy will be paid as a fixed fee, based on a business's UK revenue. It will be collected by one of three statutory anti-money laundering supervisors: HMRC, the Financial Conduct Authority or the Gambling Commission. We have ensured that it is those with big pockets that will pay the levy. Larger firms will be making this contribution. Small firms with an annual UK revenue of below £10.2 million will be exempt. Out of approximately 90,000 anti-money laundering regulated businesses, about 4,000 organisations will be in scope. It is expected that the levy fees will not be more than 0.1% of a business's UK revenue.

On new clauses 5, 12 and 15, which would require the Government to review clauses 53 to 66, that includes evaluating whether the levy is operating effectively, its impact on the tax gap and its effectiveness in achieving its objectives under different levy rates. The Government have already agreed to conduct a wide-ranging review of the levy by the end of 2027 and to publish an annual report on the levy, which is expected to provide a breakdown of how the levy will operate in the forthcoming year, including the levy rates. The Government also already publish information year on year on the tax gap, including the parts of it that relate to avoidance and evasion, and these figures bear witness to the Government's successes over time in driving down the amount of tax lost to avoidance and evasion. An additional review would not add value and I urge Members to reject these clauses.

Let me now turn to clauses that clamp down on promoters of tax avoidance, the first of which is clause 84. It allows HMRC to petition the courts to wind up a company or partnership that promotes tax avoidance schemes when it believes it would be in the public interest to do so. By removing those businesses, we will hamper promoters' ability to sell dubious avoidance schemes, and we will provide vital protection to taxpayers and the tax system. This power uses Insolvency Act 1986 procedures and maintains all current safeguards, including the right to make representations during the court hearing and the right to apply to the court to rescind the winding-up order or to stay the winding-up process. This is a firm but proportionate approach.

Clause 85 allows HMRC to share information about promoters and the tax avoidance schemes they recommend, as well as those connected to them. The measure will allow HMRC to tackle promoters who tout these dubious schemes. Under this measure, HMRC will be able to publish promoters' details on gov.uk and in other appropriate places. It will also be able to contact taxpayers and other interested parties directly. These steps will allow taxpayers to better understand the risks of tax avoidance schemes and to steer clear of them. I recognise that this is a significant change, but legitimate businesses and individuals have nothing to fear, and the legislation has been carefully designed with safeguards in mind. For instance, HMRC will be required to offer all those it intends to name a 30-day opportunity to make representations as to why they should not be mentioned.

Dame Margaret Hodge: I welcome these attempts to secure responsible behaviour on the part of promoters. Does the Minister agree on the issue of personal services companies, which are being used now in a way that Parliament never intended? We always wanted plumbers to set up new businesses, but we did not want MPs to use personal services companies to avoid tax. Does she agree that it would be appropriate for HMRC to bear down on the abuse of personal services companies? Will she be bringing forward further legislation to ensure certainly that MPs do not take advantage of what has become a tax avoidance scheme?

Lucy Frazer: Of course, HMRC has a duty to look into all tax matters. I wonder whether the right hon. Lady was present for the previous debate, in which we talked about why we are introducing the increased social care levy in respect of the payment of dividends. One of the reasons that I pointed out was to ensure that people did not take advantage of being paid by a company through dividends rather than paying income tax.

New clauses 7 and 14 seek to require the Chancellor to publish a review on the impact of clause 85. New clause 7 would require the commissioning of an independent assessment of the information published by HMRC about disguised remuneration loan schemes. Such a review would consider HMRC's approach to what is referred to as the loan charge scheme and consider recommendations for altering that approach. Under the new clause, the Government would be required to state to the House their response to the recommendations.

The Government already regularly review and report on their progress in tackling disguised remuneration, including on action taken against those who promote tax avoidance schemes. For example, only yesterday,

HMRC published its annual report on the use of marketed tax avoidance schemes and earlier this month it published its annual report and accounts. The information is therefore already in the public domain and will be updated in future. The Government introduced the loan charge to tackle the use of disguised remuneration schemes and it has already been the subject of an independent review that concluded less than two years ago. The Government accepted all but one of that review's 20 recommendations. A further review is therefore unnecessary and I urge Members to reject the new clause.

New clause 14 states that any assessment

"must include consideration of the impact of the publication of a register of overseas property ownership upon the promotion of tax avoidance".

The Government continue to make progress on work to set up a public register of beneficial owners of overseas entities that own UK property. That will enable us to combat money laundering and achieve greater transparency in the UK property market. The Government remain committed to those reforms, so the new clause is unnecessary and I urge Members to reject it.

Clause 86 allows HMRC to seek a court freezing order to freeze a tax avoidance scheme promoter's assets. This would happen when HMRC has applied or is about to apply to a tribunal in England and Wales to charge a penalty. The measure will make sure that promoters face the financial consequences of their actions.

Clause 87 mirrors for Scotland the provisions in clause 86, clause 88 does the same for Northern Ireland, and clause 89 provides for some definitions and interpretations. The clauses I have outlined target the most persistent promoters, who repeatedly go to extreme lengths to sidestep the rules and frustrate HMRC's efforts to tackle their behaviour.

Clause 90 introduces a new penalty that is chargeable on UK-based entities that facilitate tax avoidance schemes that involve offshore promoters. It aims to deter the enabling of such schemes by UK entities by imposing a penalty of up to 100% of the total fees earned by all those involved. This significant penalty reflects the seriousness of such behaviour.

Clauses 27 and 28 relate to the diverted profits tax, which was introduced in 2015 to target large multinationals that try to avoid tax by redirecting their profits away from the UK. The tax has been hugely successful in its main aim of changing corporate behaviour; in fact, it has helped to secure £6 billion in extra taxes to fund our public services.

Clause 27 will ensure that the UK can meet its tax-treaty obligations by allowing HMRC to implement a mutual agreement procedure decision to alter a diverted profits tax charge, should that situation arise.

Clause 28 introduces technical amendments to ensure that the diverted profits tax legislation operates as intended. First, it will ensure that HMRC cannot issue a corporation tax closure notice until after the diverted profits tax review period has ended. This means that the taxpayer must resolve their profit diversion before a diverted profits tax charge can be displaced. Government amendments 2 and 3 ensure that the clause applies as intended to those diverted profit tax cases where a foreign company has structured its UK activities to avoid them meeting the definition of a permanent establishment. This is in line with the Budget announcement. Secondly, this clause will extend the period in which a taxpayer can amend their own company tax return to obtain relief from diverted profit tax.

4.30 pm

I shall now turn to clauses 91 and 92, which relate to tax evasion. Clause 91 and schedule 13 introduce changes to tackle the form of tax evasion known as electronic sales suppression. This is where a business deliberately manipulates its electronic sales records to hide or reduce the value of individual transactions. This measure will mean that those found to be making, supplying, promoting or possessing ESS hardware or software will face a penalty. It will also give HMRC additional ESS-related information powers. By tackling ESS in this way, we expect to raise £85 million in additional revenue over the next five years while helping to level the playing field for compliant businesses.

Clause 92 allows for the introduction of new, tougher sanctions to tackle tobacco duty evasion. These sanctions will be linked to the tobacco track and trace system, which controls the legitimate production, distribution and supply of cigarettes and hand-rolling tobacco. The clause also introduces a new information gateway. This will allow HMRC to share relevant data with anyone connected to the administration or enforcement of the traceability system, such as Trading Standards. This will help address tobacco duty evasion, with a focus on the small-scale regular offenders who play a key role in street-level distribution.

New clause 13 seeks to require the Government to publish an impact assessment of clauses 84 to 92 on the tax gap. The Government already publish information each year on the tax gap, including the parts of it that relate to tax avoidance and evasion. These figures bear witness to our success in driving down the amount of tax lost to avoidance from 1.1% of total theoretical liabilities in 2005-06 to 0.2% in 2019-20, and to evasion from 1% to 0.8%.

The Government are also committed to evaluating the impact of the policies and transformation programmes they implement. On 25 November, we published the first HMRC evaluation framework, which supports our work to maintain a trusted, modern tax system that is fit for the future. It sets out HMRC's approach to evaluation in line with wider Government practice. On this basis, a separate review would be unnecessary, and I urge Members to reject the new clause.

These measures will ensure that the Government can continue to crack down on economic crime. I therefore urge Members to support clauses 27 and 28, 53 to 66, 84 to 90, 91 and 92, as well as schedules 12 and 13 standing part of the Bill. I also support Government amendments 2 and 3 to clause 28.

James Murray: I rise to speak in support of the new clauses in my name and those of the Leader of the Opposition and the shadow Chancellor.

Key principles of our tax system are that everyone should pay their fair share and that, in turn, the Government should treat everyone fairly. On the first of those two principles, the fact that large multinationals avoid paying their fair share of tax in the UK is one that rightly angers people across the country. This behaviour means that the UK misses out on vital revenue that could support our public services and it leaves British businesses that play fair at a disadvantage.

[James Murray]

As the Minister will know, we were very disappointed that the Government recently allowed the global minimum corporate tax rate, which seeks to limit profit shifting and tax avoidance, to fall from the initial 21% proposed by President Biden to just 15%, but this is still progress. Before I turn directly to clauses 27 and 28, which relate to profit shifting, I ask the Minister to briefly confirm when she next speaks exactly what the timetable is for the Government putting the global minimum rate into UK law.

Clauses 27 and 28 amend the operation of the diverted profits tax, which was introduced in 2015 to try to limit multinationals from entering into profit-shifting arrangements through which they could avoid paying tax. As we have heard, clause 27 amends UK law on double tax treaties to allow mutual agreements between the UK and the other relevant tax state to take effect in relation to the diverted profits tax. Clause 28 is also technical, although it raises an important question about this Government's willingness to hold companies to account for tax fraud. I would like to press the Minister on that point. TaxWatch has highlighted that HMRC's annual accounts, published in November, show that HMRC is currently carrying out 100 investigations into multinational companies that may be diverting profits away from the UK, and HMRC's statements clearly imply that a number of these investigations relate to fraudulent conduct.

In 2019, HMRC introduced a new profit diversion compliance facility, which allows multinationals to come forward and pay the taxes that they should have paid, plus any penalties, without having to pay the diverted profits tax. The changes in clause 28 appear to facilitate the settlement of disputes without diverted profits tax being charged, by extending the time period for which a company can amend previous tax returns in order to get out of having to pay it. Will the Minister confirm whether any company that is currently under investigation for fraudulent conduct involving diverting profits away from the UK may have the investigation of their fraudulent conduct dropped if they make use of the profit diversion compliance facility? It is an important question about how robust the Government's approach to tax avoidance really is. As TaxWatch has put it,

"the Profit Diversion Compliance Facility should not become an amnesty for tax fraud."

More widely, it is critical that the Government take more action on economic crime. We therefore support the principle behind the levy introduced by clauses 53 to 66, and hope that the funding from the levy will go some way towards increasing much needed capacity for the Government to tackle economic crime. We question, however, whether it will be enough, so our new clause 5 would require the effectiveness of the levy to be reviewed. This concern is evidently shared across the House, as new clause 15 in the name of my right hon. Friend the Member for Barking (Dame Margaret Hodge) and some Government Members would require the Government to assess the effectiveness of the proposed levy rates, and of levy rates twice and three times as high.

We also question why the Government are failing to make critical changes to the law that everyone agrees would strengthen the UK's ability to fight economic crime. At the top of the list must be finally putting in place a public register of the beneficial owners of overseas entities that own UK property, to which our new clause 5 refers. A new public register would bring much needed and much delayed transparency to the overseas ownership of UK property, and help to stop the use of UK property for money laundering.

Plans to introduce a register were first announced by the Conservatives in 2016. Legislation was first published in 2018. We were promised that it would be operational by 2021, yet with just one month of this year left to go, this has become another broken promise from the Conservatives. It is very hard to conclude anything other than that the Government are, under the leadership of the current Prime Minister, deliberately abandoning their commitment to the register. We need only look at the language in the annual written statements on progress toward its introduction to see a clear pattern emerge.

In May 2019—two months before the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) became Prime Minister—a ministerial update on the register reported:

"Over the past year, significant progress has been made towards the introduction of the register... the Government intends that the register will be operational in 2021".

Yet a year after the current Prime Minister took office, the next ministerial update, in July 2020, took a different tone, saying rather more cautiously:

"This register will be novel, and careful consideration is needed before any measures are adopted".

By November 2021, the latest ministerial update simply said:

"The overseas entities register is one of a number of proposed corporate transparency reforms... The Government intend to introduce legislation to Parliament as soon as parliamentary time allows."

Those statements do not sound like a toughening of resolve.

What is more, the ministerial statements themselves have only been published because the Government have been required, by section 50 of the Sanctions and Anti-Money Laundering Act 2018, to publish three reports on progress toward the register—one in each of the years 2019, 2020 and 2021. That is why our new clause 5 would require the Government to continue publishing annual updates on 31 December each year on progress towards implementing the register. We are determined not to allow the Prime Minister to let this commitment slip out of sight.

As I said on Second Reading, it is astonishing that the Government feel that the need for this register is becoming less urgent. The Pandora papers confirmed how overseas shell companies secretly buy up luxury property in the UK and how much transparency is needed to help to tackle money laundering. Ministers did not respond to my questions on Second Reading, but I did receive a letter from the Exchequer Secretary yesterday, where she wrote:

"While these measures have full Treasury support, they are not Treasury led."

It is quite astonishing that Treasury Ministers are now trying to blame their colleagues in the Department for Business, Energy and Industrial Strategy for the delay in bringing in the register, when every indication is that the lack of determination comes directly from the Prime Minister. The truth is that concerns over Russian donations

to the Conservative party and the use of high-end property in the UK for Russian money laundering mean that putting in place the register of overseas owners without delay is a key part of restoring the trust in politics that Conservative MPs and the Prime Minister have done so much to erode.

Clauses 84 to 92 and schedules 12 and 13 relate to tax avoidance. Our new clause 7 requires an independent assessment of HMRC's approach to the loan charge scheme and recommendations for altering that approach. In my opening remarks on the previous group of amendments, I said that a key principle of our tax system was that the Government should treat everyone fairly. We fear that with their approach to the loan charge the Government are sorely failing in that duty. The Government's approach to the loan charge means that ordinary people who are victims of mis-selling are facing huge bills that are causing untold distress and personal harm. It was truly shocking to read reports only last week of eight cases of suicide among those facing demands for payments. A new approach to the loan charge is urgently needed.

That is why our new clause would require the Chancellor to commission an independent review to consider HMRC's approach to the loan charge scheme and make recommendations on how it should be altered. This new review must finally offer a truly independent assessment, which is why we would require the Government to make a statement to the House of Commons on what efforts have been taken to guarantee its independence. Once recommendations have been made, we would then require the Government to explain which of them they will accept, and why, and to report on progress towards implementing them every six months.

It is clear that something is very wrong with the Government's approach on the loan charge scheme and that efforts until now to find a solution have fallen far short. Our proposal would finally offer a way forward. I urge Members on both sides of the Committee to support our new clause on this matter when it comes to a vote. I also urge them to support our new clause to make sure that the register of the beneficial owners of overseas entities that own UK property does not get forgotten. We have already seen that the promise to have this register operational by this year has been broken. We must now ensure that the Government do not allow it to disappear altogether.

Alison Thewliss (Glasgow Central) (SNP): On 10 November, the Prime Minister said that the UK is

"not remotely a corrupt country".

One can believe or disbelieve things that the Prime Minister says, but it is clear from the Bill that the UK is certainly not a transparent country when it comes to taxes. Efforts in the Bill to tackle economic crime are of course welcome, but, as ever, this Government are not going far enough to do so. The Minister mentioned the economic crime plan. On Monday, we had the Minister for Security and Borders at the Treasury Committee, where he set out that 34 of the 52 actions have been completed, while the rest are in progress and a few of them appear to be some way from being completed. It worries me that priority is not being given to these actions.

Clauses 53 to 66 provide for the Economic Crime (Anti-Money Laundering) Levy, which the Government estimate will raise approximately £100 million per year to help to fund anti-money laundering and economic crime reforms. SNP Members are concerned that this part of the Bill is not well targeted and could potentially act as an additional tax on businesses that are not breaking the rules. For example, the Association of British Insurers is concerned that insurers will be disproportionately hit, because they present very little risk to the Treasury of tax avoidance and money laundering. The Chartered Institute of Taxation has expressed concern that smaller tax adviser firms may be driven from the market because of the increasing costs and reducing choices for consumers. It has also said that the measure could increase the tax gap by incentivising de-professionalisation. If it becomes too costly for firms to meet compliance, they may just choose to de-register from professional bodies altogether. De-professionalisation can result in less ethical behaviour and increased costs of supervision by HMRC, neither of which is particularly in keeping with the aims of this legislation. I understand that more than 32,000 firms are already supervised directly by HMRC, and the staffing to cover that does not nearly match the size of the job.

4.45 pm

On top of that, we have not received any guarantee that the funds raised by the levy will go into future schemes to tackle economic crime. That is why the SNP has tabled new clause 12, which would require an assessment of the impact of the economic crime levy on the tax gap and on opportunities for tax avoidance, evasion and other economic crimes, similar to Labour's new clause 5 and new clause 15 from the right hon. Member for Barking (Dame Margaret Hodge).

New clause 12 would force the UK Government into being transparent about how effective the policy is, and effectiveness is important, because the disparity between the scale of the task at hand and the money being put to it was set out clearly in evidence at the Treasury Committee on Monday. I fear that the economic crime levy will not make the difference that the Chancellor and others are claiming it will, so I say to them that this is their opportunity to prove us wrong. The difficulty with a lot of this is enforcement. The Government regularly introduce rules and legislation that do not have the enforcement powers. The reason that the tax gap is so big in the first place is that our tax system has, with all this legislation, become so complex and unwieldy that it provides loopholes and places for crime to flourish.

Economic crime has a devastating impact on our economy, with the National Crime Agency estimating that money laundering costs the UK over £100 billion every year. The amount that the Government seek to put to it seems small by comparison. It is a big business, and it requires a more concerted approach. Reports from the Intelligence and Security Committee and the Foreign Affairs Committee have shown that the consequences of this problem are not solely financial. The flow of dirty money into the UK impacts our national security and the integrity of our democracy. Trust in public institutions is incredibly low, and the UK Government are helping to facilitate that by providing places for criminal elements to hide without any real sanction.

A good place to start would be reform of Companies House. I sat on the Joint Committee on the Draft Registration of Overseas Entities Bill, where we looked at the legislation that the Government were proposing.

One of the recommendations in that cross-party, cross-House report was better veracity of the information that Companies House collects. All it is is a register. It is not required to check what information comes in, or to ensure that the information is correct or accurate. It is not an anti-money laundering supervisor either, so that information does not have any consequence.

I have raised this matter time and time again. Companies House does not have the resources it requires to monitor the integrity of the data submitted to it. That allows criminals to incorporate companies using false or fraudulent information without any meaningful enforcement of the rules. Thousands of companies are either not complying with the rules or are filing entries that look highly suspicious, even to a layperson like me. For example, I understand that 4,000 beneficial owners in the persons with significant control register are listed as being under the age of two. That is fairly unlikely, I should think. Only five beneficial owners control more than 6,000 companies. Again, that is very suspicious. If Companies House was an anti-money laundering supervisor, and was required to verify that information, that number would almost certainly reduce.

If the Treasury was serious about economic crime, it would be taking action, rather than batting the issue back between itself and the Department for Business, Energy and Industrial Strategy. While at some point the Minister may point out that the number of SLPs that have not registered a person with significant control has fallen since the Government changed the rules, that does not mean the problem is fixed. There are a number of zombie SLPs on the Companies House register and there is a wider international aspect to this, too. Colm Keena of *The Irish Times* has written recently about the surprising and sudden increase in registrations of Irish limited partnerships, which are similar to those in Scotland. Some of whom are then listed as having SLPs as their owners. It becomes very difficult to find out who actually controls the company. Tightening up in one area without recognising that the problem will shift to the next place does not tackle the problem and, worse, the UK Government are giving those who would use such vehicles plenty of time to move their funds somewhere else. In the Registration of Overseas Entities Committee, we had information that the next place to look was trusts. If we close down something here, it will move somewhere else, but the Government are not looking ahead enough to tackle and anticipate that.

Clauses 84 to 92 give HMRC powers on publishing information on individuals who promote tax avoidance schemes, such as the freezing of assets, the closing down of companies and information sharing, and a new penalty on UK entities that support offshore promotors of tax avoidance. On Second Reading, I was clear that the SNP supports that in principle and has no problem with it, but I urge a note of caution. Industry experts have been in touch with concerns that the measures would go further than stated by the Government, and that the criteria for an individual to be named and shamed are perhaps too weak. An officer needs only to suspect that a scheme falls within the provisions to potentially ruin a company's reputation in the long term. The measure needs to have checks and balances.

I also asked for some assurances on how the scheme would be resourced. TaxWatch has expressed its concern that HMRC simply does not have the capacity to take on the job of more enforcement. As I understand from reports in the press, it already faces a considerable backlog of cases built up during the last 18 months, together with an eye-watering caseload of potential furlough fraud to investigate. To adequately enforce the rules on tax crime, it will need significant extra resources. I am sure that many hon. Members would want me to mention that the closing down of local tax offices across the UK means that some of that local knowledge, where somebody could detect tax fraud because they knew the area and who they were dealing with, has gone, which makes it more difficult for enforcement to be carried out locally. CIOT has said that the general feeling among tax professionals is that,

"HMRC frequently ask for new powers while not making full use of those they already have."

The Bill threatens to increase the burden without any real guarantee of how the tax gap will be narrowed in return.

It would be an understatement to say that I am not convinced of the merits of this part of the policy. We need more detail from the Minister on how it will operate. The SNP has tabled another clause that places a reporting obligation on the UK Government. For those who do not understand how finance Bills work, we are very limited in the scope of amendments that we can table to such Bills so they often ask for a report or further information and detail. Those are the limitations of the Bill, but we do what we can within those limitations and we always hope that the Government will at least take that on board.

On the loan charge, which my hon. Friend the Member for Glenrothes (Peter Grant) raised on Second Reading, we want to see more about the promoters of the loan charge being brought to book. Sometimes, the victims did not have the full information that they should have had; sometimes, they were forced to be involved by the person who wished to hire them. We need to make sure that those promoters are brought to book.

New clause 13 would require an assessment of the impact of the provisions in clauses 84 to 92 on the tax gap. Again, we are making a reasonable request for the Government to assess the impact of their policies. It is not a radical or outrageous proposition and I would be disappointed if Labour Members did not support it.

Tackling economic crime is an area where the Labour party and the SNP can find a lot of common ground. I pay tribute to the right hon. Member for Barking, her all-party parliamentary group and all her work on the issue. The hon. Member for Ealing North (James Murray) made a useful point on Second Reading that the Government's priority must be

"putting in place a public register of the beneficial owners of overseas entities that own UK property."—[*Official Report*, 16 November 2021; Vol. 703, c. 501.]

It is nothing short of a disgrace that the Tories still refuse to create a publicly accessible register of overseas entities that own UK property. As he set out, that proposal has been ongoing for more than five years. There is no excuse for the Government not to have done more.

Research from Transparency International recently identified over £5 billion-worth of UK property bought with suspicious wealth. The UK property market is rife with corrupt and criminal transactions. It is the destination of choice for global money launderers, and the Government

have turned a blind eye again and again. We made suggestions in good faith on the registration of overseas entities Bill in pre-legislative scrutiny. The Economic Secretary to the Treasury said at the Treasury Committee on Monday that this was an "urgent" issue. It does not feel very urgent to us—not in the slightest—when this issue is left to drift for so long.

That is why our new clause 14 would require the Government to consider the impact of publishing a register of overseas property ownership. Such a register could prevent corrupt actors from being able to purchase UK property in secrecy under the cover of a company. That could be an SLP, a trust or some other vehicle for that purpose. The Government committed to that in the economic crime plan and said, as recently as 2 November, that they still intend to go ahead with this, but we have not seen it. The Bill is there. It is ready to go. They say that they will bring it forward whenever parliamentary time allows, but we all know what that means. We know that that is a way of kicking the can down the road and that there is no urgency to that. We will believe this Bill when we see it.

If the Government are serious about this, they will bring the Bill forward now. They control the time; they are the Government; they alone can do this. The delay can only lead one to wonder who benefits from it: could it be the same oligarchs who fill the coffers of the Conservative party?

Dame Margaret Hodge: I will speak to new clause 15, which stands in my name and those of right hon. and hon. Members from across the House, and I rise in support of new clause 5, which was moved so eloquently by my hon. Friend the Member for Ealing North (James Murray). New clause 15 is complementary to the first part of new clause 5.

I shall start by making a general observation. It seemed to me, when the Minister spoke, that either she does not completely understand what is going on in the world of economic crime, particularly in relation to the UK's position on that; or there is a deliberate attempt by the Government to downplay it so that they do not take the very necessary action that is available and, as SNP Members and the Labour Front Benchers said, is probably as oven-ready as any legislation that we have. The Government are simply choosing not to implement it.

I will give an example of how the impact of economic crime is filtering and seeping into our politics. There are two Russian kleptocrats, Viktor Fedotov and Alexander Temerko—both of whom have questionable backgrounds and whose money has questionable origins—who are involved in a company called Aquind, which is trying to build an energy cable from Portsmouth to France. It is a controversial proposal. As for the origins of the money that they are using to fund this project, for me, it is money that has probably been stolen from the Russian people. That is really where that money comes from.

What is particularly disturbing is that when we look at the accounts of Aquind, the company, and the donations being given by one of the individuals, Alexander Temerko —the other one hides himself—to Conservative parties and to Conservative Members of this House, we see that it is enormous. There is a bit of time this afternoon so I am going to take the liberty of reading through the list. The right hon. Member for South West Surrey (Jeremy Hunt) has received money on a number of occasions from Aquind. The right hon. Member for Middlesbrough South and East Cleveland (Mr Clarke) has received money from Aquind of Russian origin. The hon. Member—

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): Order. I will just check that the right hon. Lady has informed other Members that she was going to mention them.

Dame Margaret Hodge: Thank you, Dame Rosie; I have not, because I did not realise that there would be so few people in the House this afternoon that I would have the opportunity to do so.

What I can say is that 24 Members of Parliament—all of them Conservative Members, many of them Front-Bench Members, some of them with ministerial positions—have received money from Aquind or from Alexander Temerko. I can also tell the House that further parties have received such money and that some former MPs and local parties have received money. I hope that is in order, and thank you for correcting me, Dame Rosie. The impact of economic crime and economic activity on our politics is a worrying trend that has been growing exponentially over recent years.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I am listening with rapt attention to my right hon. Friend's remarks. Does she not think it strange that there is a Member of the House of Lords with very close connections to Russia—indeed, he is a Lord of Hampton and of Siberia—but we never hear from him and he is never seen? Whatever the story is of great interest in Russia, he is never on the media in this country.

5 pm

Dame Margaret Hodge: My hon. Friend makes a really important point.

I think, having taken guidance from you, Dame Rosie, that I am at liberty to mention the political parties. Am I correct?

The First Deputy Chairman: The right hon. Lady can mention former Members and the location of political parties. What she cannot do without having informed them previously—it would be very discourteous—is to refer to existing Members of the House.

Dame Margaret Hodge: I am very grateful for the advice you have given me, Dame Rosie. I apologise, and I will write to the Members I had mentioned before you drew that to my attention.

If I can mention the political parties, they are those in Reading West, The Wrekin, Staffordshire Moorlands, Morecambe and Lunesdale, North Somerset, Great Yarmouth, Selby and Ainsty, Northampton North, Colchester, Daventry, Corby, Vale of Clwyd, Berwick-upon-Tweed, Richmond (Yorks) and North Swindon. If I can mention the former MPs, and these are quite important, there is one in particular—the former MP for Stockton South, James Wharton, who was of course very involved in the campaign—

The First Deputy Chairman: Order. I have a little further clarification. If any of those Members are in the House of Lords, it is not in order to refer to them. I know it is quite complicated, but it is best to get it right.

Dame Margaret Hodge: Well, I will also write to that individual, having transgressed. I apologise for that, Dame Rosie. I think I am okay on the other two: one is Guto Bebb, the former MP for Aberconwy, and the other is Mark Field, the former Member for Cities of London and Westminster.

I read out that list partly because we have the time to do so, but also to demonstrate how absolutely critical it is, I say to the Minister, that we start tackling economic crime seriously in this country. If we do not, we are in danger of allowing this to seep into our politics and seep into the public domain, and far from being a trusted jurisdiction, we will become a jurisdiction that is not very different from others to which we all too often preach that they should tackle the corruption endemic in their Administrations—we will become one of them.

Just to put that further into context, we are now the jurisdiction of choice for far too many kleptocrats, far too many criminals, far too many people who avoid tax and far too many people who launder money. Money laundering in itself is an activity that leads to the funding of terrorism, drug smuggling and all sorts of other crimes that we and the Government ought to want to bear down on in a very firm way, but we are just not doing so. The National Crime Agency has a figure of £100 billion that it thinks is laundered into the UK each year, but I think that is a very conservative estimate. It is probably plucked out of thin air a little bit, and I think the real or true figure is probably much greater. We only have to look at Moody's credit rating, on which we have gone down a notch. One of the reasons for that happening is that it has argued there has been a

"weakening in the UK's institutions and governance".

To come back to my new clause 15, it is partly about our enforcement agencies, but it is also about the way in which all Government agencies tackle economic crime here.

The evidence of the toothlessness and the timidity of our enforcement agencies is overwhelming. In part, that is because of the regulatory framework in which they have to operate. As I have said time and again from these Benches, that deregulation started under the Conservatives and was continued by the Labour Government. Both parties take responsibility for that deregulation, and it is now time to revisit the issue and toughen up the regulations, so that we have an appropriate regulatory framework that can tackle not just tax avoidance and evasion, but the growth of the economic crime that is so insidious.

There is also pathetic enforcement by all our agencies. In part that is due to a lack of money, but I also believe that a lack of political will lies at the heart of it. We have only to look at the United States, ironically, which has a strong and clear resolve that it will pursue those guilty of financial crime and fine them heavily. Let me provide two examples of that. In 2019, the USA pursued and secured 25 penalties, which gave a total of $2.29 billion in revenue secured back to the public purse. In the UK, in the same year, we pursued and secured only 12 penalties, totalling £338 million.

Let me take one example of a British bank, Standard Chartered. In 2019, it was fined in both the USA and the UK, not only for its poor anti-money laundering controls, but for breaking sanctions in relation to Iran. Here in the UK, the Financial Conduct Authority fined it a total of £102 million. In the USA—this is a British-based bank, not an American bank—it was fined £842 million. There is just a different approach between the USA and the UK in pursuing those who are guilty of economic crime and should be paying back to the public purse. Our role in money laundering and economic crime is growing. It is not just economic crime here in the UK; it is economic crime facilitated by the UK because of our regulatory framework.

The hon. Member for Glasgow Central (Alison Thewliss) spoke about Companies House, which is a vital ingredient in the leaks of all the documents we get. Someone can pay £12 to form a company in the UK. Endless people from all over the world use UK formation to form shell companies, which they then use to create complex financial structures that will facilitate money laundering and economic crime. We have seen that in a regular flow of leaked documents, and I will talk about two. The Financial Crimes Enforcement Network files came out in 2020, showing that $2 trillion was moved by global banks in just under 20 years between 1999 and 2017. That movement gave rise to suspicious activity reports, which banks have to provide to the American authorities when they have a red flag about a transaction. More UK companies were cited in that tranche of leaks than companies from any other country, showing the concentration of economic crime in the UK. Indeed, 3,267 of the companies cited were UK shell companies.

Formation agencies are one of the things that we do not regulate properly. We do not enforce the legislation strongly enough, and four formation agencies had created more than half of those UK shell companies. The sort of thing that happens is that a limited liability partnership is established and registered at the Belgian address of a dentist. A young worker in north London was paid £800 a month for his flat's address to be used for the registration of companies, and when he gave up doing that, the same address was used by a cleaner who worked in Leicester. Underlying that is one example when J. P. Morgan allowed a company to move more than £1 billion through a London account. It later emerged that that company was probably owned by a mobster on the FBI's "Ten Most Wanted" list. That is the sort of facilitation of economic crime that we allow to happen.

I do not want to take too much of the House's time, but I turn to the Pandora papers, the largest cache of documents we have ever received. Again, the UK lies at the heart of everything that was revealed in those papers. Others have talked about the secret property transactions that have taken place, with £4 billion identified in the Pandora papers. There are more UK citizens than citizens of any other country cited in that tranche of leaks. The relationship between the UK and our tax havens is central to the facilitation of economic crime, and again we see the weak and toothless enforcement agencies.

That brings me to our new clause 15. The evidence for the need for well-resourced and determined enforcement is overwhelming, but the money to be raised by the levy is woefully inadequate. As the Minister said, it will be £100 million. I had a meeting recently with personnel from major banks who are responsible for implementing anti-money laundering provisions. They said that they—the regulated financial sector—spend £49.5 billion on financial crime compliance. That gives us an idea of how little our £100 million raised from the levy is.

We must act within the constraints of the Bill in tabling new clauses, but we think £100 million is a pittance. Far more should be raised—it should be doubled or tripled—and I think that case would be made if a review were undertaken. If the Minister is confident that she is right—if she is confident about everything she said in her opening remarks—she will not shy away from a review that could then be considered in the House. I often think that Ministers should think about propositions that are tabled; they should not just reject them because they are not their ideas, but should really consider whether they are worthwhile on their own grounds. In this case, I urge the Minister, if she is really committed to tackling economic crime, money laundering and the rest, to do something.

I suppose the only thing I would say about the new levy, while I welcome it, is that for the first time ever we see the Treasury agreeing that there should be a hypothecation of tax to spend on a particular issue. I always thought it was Treasury orthodoxy that there should be no hypothecation. In this case, we have broken that orthodoxy; the money is going to be spent on fighting money laundering. I welcome that change. I hope to see it in other areas where a hypothecated tax could do a lot to create a fairer society.

I also think that the bands are unfair. Why should a company with a revenue of £10 million pay £10,000, while a company with a revenue of £1 billion pays only £250,000? We need a more progressive system that reflects the revenue that these companies get.

Simply increasing the levy is not enough; there have to be other measures. We need to put a cap on the potential costs of litigation that the enforcement agencies will engage in. All too often, the potential cost to an agency stops it taking action that would bear down on economic crime. We have seen that with unexplained wealth orders, where the agencies started off with a great burst of energy, and then when they lost one case and got a huge bill, they stopped doing anything. We could do away with the entitlement to secure costs, except in cases where there is no reasonable justification to prosecute. I think we could provide a financial incentive to the enforcement agencies to litigate by saying that any money that they raised through action could come back to them to be used.

All that could be reviewed, and the level of the levy could be increased. I would be really heartened if, just for a change, Ministers listened to the strength of the argument and accepted new clause 15, with its cross-party support. Then, hopefully, we could come back and see who is right and who is wrong.

Lucy Frazer: I will take a few moments to respond to some of the points raised in the debate on this group, starting with those made by the hon. Member for Ealing North (James Murray). I am very grateful for his welcome of the economic crime levy. He asked for a review, but, as I mentioned, we have already committed to a review. A review will take place by the end of 2027.

5.15 pm

The hon. Gentleman suggested that we have abandoned the commitment to bring in a register of beneficial ownership. I wholly refute that. We have not abandoned it. As he rightly said, the Exchequer Secretary to the Treasury, my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) wrote to him yesterday setting out the position, which is that a draft Bill underwent pre-legislative scrutiny in 2019. Since last updating Parliament in July 2020, the Government have published their response to the consultation on reforming Companies House. Three further consultations were published in December 2020, seeking further views on the finer details of the reform package. Not only that, in the letter my hon. Friend, the Exchequer Secretary pointed out that under the UK's leadership all G7 countries have now committed to strengthening and implementing their beneficial ownership registers.

James Murray: Will the Minister give way?

Lucy Frazer: I am not going to give way because I want to make a number of points and the hon. Member has had an opportunity to put forward his points.

The hon. Gentleman also mentioned the loan charge and asked for a review. He will have heard in my speech and will know that we had a review less than two years ago. I know that this is an issue that concerns many Members. We did legislate as a result of that. We legislated on 3 December 2020. As a result of the review, 30,000 individuals benefited. In fact, 11,000 were removed from the loan charge.[1]

David Linden (Glasgow East) (SNP): Will the Minister give way?

Lucy Frazer: I am going to move on to another point raised by the hon. Member for Ealing North (James Murray), in relation to the timetable for the OECD reforms. He asked when the Government would implement those reforms. The Government are following the OECD's implementation. The implementation date for the two-pillar solution is 2023.

David Linden: Will the Minister give way?

Lucy Frazer: The hon. Member for Ealing North also asked me about the changes in relation to clause 28 and whether they would facilitate firms getting out of their fraudulent activities and investigation. I would like to give him an assurance that no company fraudulently diverting profits from the UK would have an inquiry dropped as a part of this measure. The only way in which a valid diverted profits tax charge can be displaced is if the company accepts a corresponding corporation tax charge within the diverted profits tax review, and that is the measure in the Bill.

David Linden: Will the Minister give way?

Lucy Frazer: I would like to turn to the points made by the hon. Member for Glasgow Central (Alison Thewliss) on transparency and the tax gap. I pointed out, and I hope she is aware, that each year we publish measures in relation to the tax gap. She talked about reforming Companies House. I know she will be aware that the Treasury has provided £63 million in funding for reforms to Companies House. She is interested in Scottish limited partnerships and we had a brief discussion about that. I hope she is aware that since October 2020, Companies House has brought forward 28 prosecutions in relation to Scottish limited partnerships and persons of significant control offences.

1. *[Official Report, 6 December 2021, Vol. 705, c. 2MC.]*

[Lucy Frazer]

I want to turn to some of the comments made by the right hon. Member for Barking (Dame Margaret Hodge). I would like to start by commending her for the work she has done. This is an area in which she is significantly interested and she has done a great deal of work through the all-party parliamentary group on anti-corruption and responsible tax. However, I strongly object to her suggestion that the Government are not committed to tackling economic crime. They absolutely are. It is for that reason that they set out 52 measures in the economic crime plan in 2019. I also take issue with her implicit suggestion, which was highly inappropriate, that there was a link between the Government's actions on economic crime and donations made to a number of Members. I did not think that that was a wholly appropriate link to make in this House. In my six years in Parliament, I have found that colleagues across the House are committed to their work in public service.

David Linden: Will the Minister give way on that point so that I can provide a public service to my constituent?

Lucy Frazer: The hon. Member has been very persistent. I give way.

David Linden: I am very grateful indeed; the Minister is incredibly kind and generous. May I take her back to a point that she made to the hon. Member for Ealing North (James Murray) about the loan charge? My Gartloch constituent, Michael Milne, has been in touch with me regularly about the issue. Will she commit at the Dispatch Box to personally taking a look at his case? He has expressed enormous concern to me about the impact that the loan charge is having on him. Will she give me that commitment from the Dispatch Box, please?

Lucy Frazer: I understand why the hon. Gentleman presses the matter, because there is obviously an issue that relates to his constituent. If the hon. Gentleman writes to me about those points, I will be very happy to take a look and pass over anything appropriate for HMRC to look at.

Let me go back to the points that the right hon. Member for Barking made. She was suggesting that our law enforcement is not sufficient. Of course there is always more we can do, of course people who want to do wrong work very hard at it, and of course we need to keep up with them—the Government are committed to doing so—but I point her to two figures. First, the Financial Conduct Authority has issued fines totalling £336 million since 2018, which does not suggest inactivity. Secondly, before I took on my Treasury role I was very proud to be a Law Officer overseeing and superintending the Serious Fraud Office, so I know how hard the SFO works to tackle fraud and crime. Since 2014, through deferred prosecution agreements, it has delivered £1.6 billion to the public purse.

The Bill will put on the statute book a number of measures to protect our economy from disruption and tackle economic crime. I hope that those hon. Members who have spoken so vociferously in favour of such action will support those measures in our Bill.

Question put and agreed to.

Clause 27 accordingly ordered to stand part of the Bill.

Clause 28

DIVERTED PROFITS TAX: CLOSURE NOTICES ETC

Amendments made: 2, in page 22, line 40, leave out from "to" to end of line 41 and insert "a relevant enquiry".

See the explanatory statement for Amendment 3.

Amendment 3, in page 23, line 5, at end insert—

"(3A) In subsection (2), 'relevant inquiry' means—

(a) an enquiry into the company tax return for the accounting period mentioned in subsection (1)(a);

(b) where the charging notice mentioned in subsection (1)(a) is issued to a company ('the foreign company') for an accounting period by reason of section 86 applying in relation to it for that accounting period, an enquiry into any company tax return for the avoided PE (within the meaning of section 86) that may be amended by virtue of section 101B(2) so as to reduce the taxable diverted profits arising to the foreign company in that accounting period."—*(Lucy Frazer.)*

This amendment (together with Amendment 2) is to prevent the issuance, during a diverted profits tax review period of a foreign company, of a closure notice in respect of a company tax return of an entity carrying on trading activity in the UK where that return is capable of being amended to bring into account amounts that would otherwise be taxable diverted profits of the foreign company.

Clause 28, as amended, ordered to stand part of the Bill.

Clauses 53 to 66 ordered to stand part of the Bill.

Clauses 84 to 90 ordered to stand part of the Bill.

Schedule 12 agreed to.

Clause 91 ordered to stand part of the Bill.

Schedule 13 agreed to.

Clause 92 ordered to stand part of the Bill.

New Clause 5

REVIEWS OF ECONOMIC CRIME (ANTI-MONEY LAUNDERING) LEVY

'(1) The Government must publish a review of the operation of the Economic Crime (Anti-Money Laundering) Levy by 31 December 2027.

(2) The Government must publish on 31 December each year until the establishment of a register of beneficial owners of overseas entities that own UK property—

(a) an assessment of the contribution to the effectiveness of the Levy that such a register would make; and

(b) an update on progress toward implementing such a register.'—*(James Murray.)*

This new clause will put into law the Government's commitment to undertake a review of the Levy by the end of 2027, and require them to publish an assessment every year until a register of beneficial owners of overseas entities that own UK property is in place an assessment of what impact such a register would have on the effectiveness of the Levy, and progress toward the register being established.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 212, Noes 306.

Division No. 128] [5.23 pm

AYES

Abbott, rh Ms Diane	Barker, Paula
Abrahams, Debbie	Beckett, rh Margaret
Ali, Rushanara	Begum, Apsana
Amesbury, Mike	Benn, rh Hilary
Anderson, Fleur	Betts, Mr Clive
Antoniazzi, Tonia	Black, Mhairi
Bardell, Hannah	Blackman, Kirsty

Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Ms Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Sir Alan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Charalambous, Bambos
Cherry, Joanna
Cooper, Daisy
Cowan, Ronnie
Crawley, Angela
Creasy, Stella *(proxy vote cast by Chris Elmore)*
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Daby, Janet
Davey, rh Ed
Davies, Geraint
Davies-Jones, Alex
Davison, Dehenna
Day, Martyn
De Cordova, Marsha
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Donaldson, rh Sir Jeffrey M.
Doogan, Dave
Doughty, Stephen
Dowd, Peter
Duffield, Rosie
Eagle, Maria
Eastwood, Colum
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Farry, Stephen
Fellows, Marion
Ferrier, Margaret
Flynn, Stephen
Fovargue, Yvonne
Foxcroft, Vicky
Foy, Mary Kelly
Gardiner, Barry
Gibson, Patricia
Gill, Preet Kaur
Grady, Patrick
Grant, Peter
Green, Kate
Green, Sarah
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendry, Drew
Hillier, Dame Meg
Hobhouse, Wera
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart
Howarth, rh Sir George
Howell, Paul
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, Ruth
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kinnock, Stephen
Kyle, Peter
Lake, Ben
Lavery, Ian
Law, Chris
Leadbeater, Kim
Lewell-Buck, Mrs Emma
Lewis, Clive
Linden, David
Long Bailey, Rebecca
Lucas, Caroline
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Maskell, Rachael
Mc Nally, John
McCabe, Steve
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Mishra, Navendu
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Paisley, Ian
Peacock, Stephanie
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qaisar, Ms Anum
Qureshi, Yasmin
Rayner, rh Angela
Reed, Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rodda, Matt
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Siddiq, Tulip
Slaughter, Andy
Smith, Alyn
Smith, Cat
Smith, Jeff
Smith, Nick
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, rh Nick
Thompson, Owen
Thomson, Richard
Timms, rh Stephen
Turner, Karl
Vaz, rh Valerie
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Wilson, Munira
Wilson, rh Sammy
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
Liz Twist and
Gill Furniss

NOES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Atherton, Sarah
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baker, Mr Steve
Baron, Mr John
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bowie, Andrew
Bradley, Ben
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Buchan, Felicity
Buckland, rh Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Simon
Clarke, Theo
Clarke-Smith, Brendan
Clarkson, Chris
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, rh Sir Geoffrey
Crabb, rh Stephen
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Davison, Dehenna
Dinenage, Caroline
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donelan, rh Michelle
Dorries, rh Ms Nadine
Double, Steve
Dowden, rh Oliver

Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Edwards, Ruth
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Frazer, rh Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, rh Sir Roger
Garnier, Mark
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Glen, John
Goodwill, rh Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Henry, Darren
Higginbotham, Antony
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Jenrick, rh Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, rh Sir Greg
Knight, Julian
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Levy, Ian
Lewer, Andrew
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCartney, Jason
McCartney, Karl
McPartland, Stephen
McVey, rh Esther
Menzies, Mark
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Milling, rh Amanda
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Philp, Chris
Pincher, rh Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Pritchard, rh Mark
Pursglove, Tom
Quince, Will
Raab, rh Dominic
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Robertson, Mr Laurence
Robinson, Mary
Rosindell, Andrew
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shapps, rh Grant
Sharma, rh Alok
Shelbrooke, rh Alec
Simmonds, David
Skidmore, rh Chris
Smith, Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trott, Laura
Vara, Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Sir Charles
Walker, Mr Robin
Warburton, David
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Wild, James
Williams, Craig
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Noes:
Alan Mak and
Amanda Solloway

Question accordingly negatived.

New Clause 7

REPORTING ON PROVISIONS RELATING TO PUBLICATION OF INFORMATION ABOUT TAX AVOIDANCE SCHEMES

'(1) The Chancellor of the Exchequer must, within three months of the passing of this Act, lay before the House of Commons and publish a review of the impact of measures contained within this Act that relate to the publication by HMRC of information about tax avoidance schemes.

(2) The review undertaken by the Chancellor under subsection (1) must include commissioning an independent assessment of the information published by HMRC about disguised remuneration loan schemes.

(3) The independent assessment under subsection (2) must include consideration of the following with respect to the purposes set out in section 85(1)(a) and (b) of this Act—

(a) HMRC's approach to the loan charge scheme; and

(b) recommendations for altering that approach.

(4) The Government must before the review commences make a statement to the House of Commons stating what efforts have been taken to guarantee the independence of the assessment under subsection (2).

(5) The Government must within three months of the publication of the review under subsection (1) make a statement to the House of Commons stating which of any recommendations under subsection (3)(b) it will be accepting, and give reasons for any decision not to accept one or more of those recommendations.

(6) The Government must every six months after the publication of the review in subsection (1) make a statement to the House of Commons stating what progress has been made towards implementing any of the recommendations that arise from subsection (3)(b) which the Government has accepted.'—*(James Murray.)*

This new clause would require the Government to review the impact of measures contained in clause 85 of the Bill, and as part of that to commission an independent review of the information published by HMRC about disguised remuneration loan schemes. This independent assessment must consider HMRC's approach to the loan charge scheme and consider recommendations for altering that approach, and the Government would be required to state to the House its response to the recommendations.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 215, Noes 299.

Division No. 129] [5.37 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Ali, Rushanara
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Bardell, Hannah
Barker, Paula
Beckett, rh Margaret
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Ms Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Sir Alan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Charalambous, Bambos
Cherry, Joanna
Cooper, Daisy
Cowan, Ronnie
Crawley, Angela
Creasy, Stella *(Proxy vote cast by Chris Elmore)*
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Daby, Janet
Davey, rh Ed
Davies, Geraint
Davies, Philip
Davies-Jones, Alex
Day, Martyn
De Cordova, Marsha
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Donaldson, rh Sir Jeffrey M.
Doogan, Dave
Doughty, Stephen
Dowd, Peter
Duffield, Rosie
Eagle, Maria
Eastwood, Colum
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Farry, Stephen
Fellows, Marion
Ferrier, Margaret
Flynn, Stephen
Fovargue, Yvonne
Foxcroft, Vicky
Foy, Mary Kelly
Gardiner, Barry
Gibson, Patricia
Gill, Preet Kaur
Grady, Patrick
Grant, Peter
Green, Kate
Green, Sarah
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendry, Drew
Hillier, Dame Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart
Howarth, rh Sir George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, Ruth
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kinnock, Stephen
Kyle, Peter
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Leadbeater, Kim
Lewell-Buck, Mrs Emma
Lewis, Clive
Linden, David
Long Bailey, Rebecca
Lucas, Caroline
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Maskell, Rachael
Mc Nally, John
McCabe, Steve
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Mishra, Navendu
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Paisley, Ian
Peacock, Stephanie
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qaisar, Ms Anum
Qureshi, Yasmin
Rayner, rh Angela
Reed, Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rodda, Matt
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Siddiq, Tulip
Slaughter, Andy
Smith, Alyn
Smith, Cat
Smith, Jeff
Smith, Nick
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, rh Nick
Thompson, Owen
Thomson, Richard
Timms, rh Stephen
Turner, Karl
Vaz, rh Valerie
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Wilson, Munira
Wilson, rh Sammy
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
Liz Twist and
Gill Furniss

NOES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Atherton, Sarah
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baker, Mr Steve
Baron, Mr John

Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bowie, Andrew
Bradley, Ben
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Simon
Clarke, Theo
Clarke-Smith, Brendan
Clarkson, Chris
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, rh Sir Geoffrey
Crabb, rh Stephen
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davison, Dehenna
Dinenage, Caroline
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donelan, rh Michelle
Dorries, rh Ms Nadine
Double, Steve
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Edwards, Ruth
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Frazer, rh Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, rh Sir Roger
Garnier, Mark
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Glen, John
Goodwill, rh Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Jenrick, rh Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, rh Sir Greg
Knight, Julian
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Levy, Ian
Lewer, Andrew
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCartney, Karl
McPartland, Stephen
Menzies, Mark
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Milling, rh Amanda
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penrose, John
Philp, Chris
Pincher, rh Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Pritchard, rh Mark
Pursglove, Tom
Quince, Will
Raab, rh Dominic
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Robertson, Mr Laurence
Robinson, Mary
Rosindell, Andrew
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shapps, rh Grant
Sharma, rh Alok
Shelbrooke, rh Alec
Simmonds, David
Skidmore, rh Chris
Smith, Chloe
Smith, Greg
Smith, rh Julian
Smith, Royston
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trott, Laura
Vara, Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Sir Charles
Walker, Mr Robin
Warburton, David
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Wild, James
Williams, Craig
Wood, Mike
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Noes:
Amanda Solloway and Alan Mak

Question accordingly negatived.

Clause 68

INTERIM OPERATION OF MARGIN SCHEMES FOR USED CARS ETC: NORTHERN IRELAND

Question proposed, That the clause stand part of the Bill.

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): With this it will be convenient to discuss the following:

Clauses 69 to 71 stand part.

Clause 93 stand part.

That schedule 14 be the Fourteenth schedule to the Bill.

Lucy Frazer: VAT is our third-biggest tax. It raised £130 billion in 2019-20, making a major contribution to the public finances. It helps to pay for our schools, hospitals and police throughout the UK.

Now that we have left the EU, we are free to set our own VAT rules and are already using that freedom to create a fairer, more robust tax system. We have altered how VAT is paid on low-value consignments from overseas suppliers. We have also implemented changes to passengers' policy and introduced a zero rate on women's sanitary products. On top of all that, we are reviewing the UK funds regime, including the VAT treatment of fund management fees. We are establishing an industry working group to review how financial services are treated for VAT purposes. As I have illustrated, this Government are focused on using our new freedoms to create a VAT system that is ready for the future, and the measures in the Bill build on that work.

Some clauses being discussed today will be of most relevance to businesses and consumers in Northern Ireland. The UK has implemented the Northern Ireland protocol in a way that seeks to protect the UK internal market. Today's clauses play a part in achieving that objective by allowing Northern Ireland businesses and consumers to have the same economic opportunities as those in the rest of the UK.

Finally, as Members will be aware, freeports are an important part of the Government's levelling-up agenda. We see them as central to our goal of sparking regeneration, creating jobs and inspiring innovation throughout the country. One of the clauses that we are debating today supports the delivery of their VAT benefits.

Let me turn to the clauses themselves. The second-hand car sector in Northern Ireland relies heavily on sourcing vehicles in Great Britain for resale in Northern Ireland. Clauses 68 to 70 will together ensure that second-hand car dealers in Northern Ireland can continue to sell cars and other motor vehicles sourced in Great Britain and the Isle of Man on an equal footing with their counterparts in the rest of the UK.

Under the Northern Ireland protocol, the VAT second-hand margin scheme is not available for goods in Northern Ireland if they were purchased in Great Britain or the Isle of Man. This means that motor vehicle dealers in Northern Ireland must account for VAT in full on sales of these vehicles rather than on the profit margin. That would disrupt the UK's internal market, potentially increase prices for consumers or costs for businesses and risk undermining the trade in motor vehicles in Northern Ireland altogether. It is only right that the Northern Ireland used car industry has the same economic opportunities as that of the rest of the country. That is why the Government are actively discussing arrangements with the EU to enable the margin scheme to continue in Northern Ireland for cars sourced from Great Britain.

Clause 68 provides the legislative basis for an interim arrangement that allows dealers in Northern Ireland to continue to use the VAT second-hand margin schemes for vehicles sourced in Great Britain once an agreement is reached with the EU. This interim arrangement will be available for motor vehicles first registered before 1 January 2021. It will end once the second-hand export refund scheme is introduced.

Clause 69 introduces a power to bring in an export refund scheme, which the Government intend to apply to second-hand motor vehicles. The aim of this permanent scheme, once introduced, is to give dealers in Northern Ireland a comparable financial outcome to the margin scheme. The clause achieves this by enabling businesses to claim a refund equivalent to VAT on the price they paid on used vehicles. The scheme will be available for used motor vehicles moving to Northern Ireland and the EU from Great Britain. Legislation to implement the scheme will be introduced once we have held further discussions with the industry.

Clause 70 simply makes some consequential changes to VAT to limit the zero rate for export or removal of goods where they are subject to the margin scheme. This is a technical measure that will ensure that businesses are not at an advantage compared with before the end of the transition period. Businesses will still be able to export goods at zero rate outside the margin scheme. This ensures consistency of treatment across the UK.

These clauses are necessary to ensure that the motor vehicle sector and consumers in Northern Ireland are not disadvantaged. Taken together, they will benefit the 500 businesses that trade in used cars in Northern Ireland.

Clause 71 makes changes to extend a VAT exemption to the importation of dental prostheses. Before the end of the transition period, such prostheses were supplied by registered dentists or dental technicians between Great Britain and Northern Ireland, and were exempt from VAT because an exemption applies to domestic sales. However, following the end of the transition period, the exemption no longer applies to the movement of these goods between GB and Northern Ireland. As the VAT that is due cannot be recovered by the registered dentist, there is a risk that it might be passed on to patients. The changes made by clause 71 extend the current domestic UK VAT exemption to include dental prostheses imported into the UK, including those moving between GB and Northern Ireland, ensuring that we meet our international obligations, and that VAT treatment between GB and Northern Ireland is consistent.

Clause 93 and schedule 14 concern the treatment of goods in the customs-free zones, which are located in freeports. Freeports will help to regenerate areas across the country and bring prosperity to the regions. The Government have already legislated for a beneficial VAT regime on certain business-to-business transactions while in the free zone of a freeport. Clause 93 makes additional VAT elements to freeports by introducing an exit charge to ensure that VAT is collected on goods that have benefited from a zero rate of VAT in a free zone to prevent tax losses or unintended VAT advantage. It therefore maintains a level playing field for UK businesses.

[Lucy Frazer]

The clause also amends existing VAT legislation to remove any conflict with the new free zone rules. Finally, the clause gives HMRC the power through regulations to adapt the exit charges provisions as necessary. This will ensure that the exit charge is correctly targeted—for instance, to prevent any abuse of the VAT zero rate. Clause 93 and schedule 14 therefore prevent tax loss by introducing an exit charge, and provide clarity to free zone rules by amending existing legislation that may conflict with them.

Our VAT measures take advantage of the opportunities following our exit from the EU to allow our businesses to prosper. I urge the Committee to ensure that clauses 68 to 71, and 93, stand part of the Bill, and that schedule 14 be the fourteenth schedule to the Bill.

James Murray: Thank you, Mr Evans, for the opportunity to respond on behalf of the Opposition to the clauses selected for this debate on particular aspects of the operation of VAT. As the scope of these clauses is quite limited, I suspect that you will not allow me to speak in detail about our call on the Government immediately to cut VAT to zero on domestic energy bills.

The Second Deputy Chairman of Ways and Means (Mr Nigel Evans): That's right.

James Murray: Of course, we believe that such a change would offer immediate help now for people struggling with the cost of living over the winter ahead. I therefore urge the Chancellor to reconsider the Government's refusal of our suggestion, even at this late stage.

Let me turn to the specific measures in the Bill. As we have heard, clauses 68 to 71 make a number of changes to the operation of VAT as it relates to Northern Ireland. Clause 68 allows motor dealers in Northern Ireland to continue to sell vehicles under the second-hand margin scheme, provided that they were sourced in Great Britain or the Isle of Man. This is a temporary measure before a more permanent scheme comes into place. It is, in effect, a technical change to reduce VAT on car dealers in Northern Ireland, and we do not oppose it. We understand that clauses 69 and 70 are necessary consequences of clause 68 to avoid the interim provisions being created for second-hand car sales in Northern Ireland leading to a distortion in the UK market, so we do not oppose them either.

Clause 71 similarly means that registered dentists or dental care professionals, or those importing on their behalf, can exempt from VAT the importation of dental prostheses—medical devices to replace broken or missing teeth. Domestic supplies of such goods are exempt from VAT when made by a registered dental professional. However, under the Northern Ireland protocol, movements of goods between Great Britain and Northern Ireland will technically be treated as exports and imports for VAT purposes. Applying the same VAT treatment to domestic supplies and imports will ensure the equal treatment of dental prostheses supplied within the UK. Again, we do not oppose this measure, as we do not want to see businesses or other workers in Northern Ireland at a disadvantage compared with those in other parts of the UK.

Clause 93 and schedule 14 relate to free zones—secure customs sites within a wider freeport area. Existing regulations already provide for the zero rating of certain supplies of goods and services in free zones, and the purpose of the clause is to put in place an exit charge to ensure that businesses do not gain unintended advantage from the zero rate. Again, we recognise the role this measure plays and we will not be opposing it.

6 pm

The scope of these clauses is limited to the operation of VAT in very specific circumstances. However, VAT more widely has a significant impact on people's lives, so I end by repeating our call on the Chancellor to cut VAT to zero for domestic energy bills to help people through the tough winter months of low temperatures and high prices ahead.

Peter Grant (Glenrothes) (SNP): I am not planning to take up all the allotted time until 8.52 pm, although I did warn my colleagues in the SNP group that I was going to take until half-past 8 and then go to a Division, which did not make me flavour of the month.

The Minister can put a bold face on the wonderful gift the Government are giving to the people of Northern Ireland, and to car dealers in Northern Ireland in particular, under clauses 68, 69 and 70, but this is just another sticking plaster over the botched job that Brexit has been, especially in relation to Northern Ireland. That is because nothing that is delivered to businesses or customers in Northern Ireland is any better than the deal they already had before they were dragged out of the European Union against, let us not forget, the express wish of a majority of people in Northern Ireland at the referendum in 2016.

The question is: how many more of these patch-up jobs do we need? I have lost count of the number of times that I have spoken in Bill Committees or in Delegated Legislation Committees pointing out that the only reason more and more legislation is needed is to fill gaps in previous legislation that had been put there to correct mistakes in even earlier legislation, rushed through by a Government who went into Brexit with no idea of what it meant and who ever since then have been trying to prevent us from understanding, and trying to conceal from the general population, just how much of a mess it continues to be. Anyone who says that Brexit has been got done either does not understand the truth or cannot be trusted to tell the truth.

In relation to clause 93 and schedule 14, the Committee will be aware that the approach that has been taken to free zones in Scotland is very different—or at least it would be very different if the Government were not so determined to force their lack of concern for workers' rights and for the environment on to the proposals of the Scottish Government. The Scottish Government had a proposal that should have been acceptable to the UK Government but for two problems: it demanded net zero freeports or free zones and it demanded enhanced workers' rights. What problem can the Government have with that? Why do the Government not want the Scottish Government to undertake action on green ports or freeports that delivers our net zero commitments? What do the Government have in mind for future legislation on workers' rights if they were not prepared to allow the Scottish Government to build that into legislation around green ports in Scotland?

The Scottish Government had a productive dialogue with the Treasury. They were ready to launch a joint applicant prospectus for green ports in March, but it never happened. In September, the Secretary of State for Scotland made it clear that Scotland's proposal was not acceptable to the Government. I do not know whether this is technically within the scope of what we are discussing just now, so it may not be appropriate for the Minister to explain it, but I, my colleagues on the SNP Benches, a lot of colleagues in the Scottish Parliament and a lot of businesses in Scotland really want to know why the Government are refusing to allow the Scottish Government to legislate for green ports to meet the needs of Scotland and meet the demands and values of the Parliament that the Scottish people have elected.

I will not be seeking to divide the Committee on any of these clauses. Quite clearly, they are all necessary. As my colleagues mentioned earlier, there are any number of parts of the Bill that we would have liked to divide the Committee on, but we cannot because of the crazy way that this place does Budgets, where effectively most of the big decisions are taken before there is any proper debate on them. That is not a sensible way to set Budgets that will impact the lives of every single person and every single business in these islands. I hope that for once the Government will listen to these representations and come back next year with a method of setting Budgets that is more inclusive, more in tune with what happens in modern democratic Parliaments across the rest of Europe and elsewhere, and will almost certainly deliver a better Budget and a better Finance Bill than the one we have just now.

Lucy Frazer: I will be brief. I am pleased that these measures have cross-party support. We can tell that because both Front-Bench spokesmen took the opportunity to talk about other measures that are not in the Bill. To touch briefly on what they said, the hon. Member for Ealing North (James Murray) will know that we do not support reducing VAT on energy bills because it will not protect specifically those on the lowest incomes, but just give a tax break to those on high incomes. We are therefore bringing in specified measures to protect those on low pay.

The hon. Member for Glenrothes (Peter Grant) talked about the Scottish green ports. We would like to ensure that the whole UK can benefit, and we remain committed to establishing at least one freeport in Scotland, Wales and Northern Ireland as soon as possible. We are confident that our model embraces the highest employment and environmental standards, and they will be national hubs for trade, innovation and commerce. For all the reasons that I have set out, I commend the clauses and the schedule to the Committee.

Question put and agreed to.

Clause 68 accordingly ordered to stand part of the Bill.

Clauses 69 to 71 ordered to stand part of the Bill.

Clause 93 ordered to stand part of the Bill.

Schedule 14 agreed to.

The Deputy Speaker resumed the Chair.

Bill (Clauses 4, 6 to 8, schedule 1, clause 12, clauses 27 and 28, clauses 53 to 66, clauses 68 to 71, clauses 84 to 92, schedules 12 and 13, clause 93 and schedule 14, and certain new clauses and new schedules), as amended, to lie upon the Table.

Business without Debate

DELEGATED LEGISLATION

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

PREVENTION AND SUPPRESSION OF TERRORISM

That the draft Terrorism Prevention and Investigation Measures Act 2011 (Continuation) Order 2021, which was laid before this House on 2 November, be approved.—*(Alan Mak.)*

Question agreed to.

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

PUBLIC HEALTH

That the draft Coronavirus Act 2020 (Early Expiry) (No. 2) Regulations 2021, which were laid before this House on 27 October, be approved.—*(Alan Mak.)*

Question agreed to.

ADJOURNMENT

Motion made, and Question put forthwith (Standing Order No. 25),

That,

(1) the order of 23 June 2021 (Adjournment (Conference, November and Christmas)) be amended as follows: leave out "Tuesday 4 January 2022" and insert "Wednesday 5 January 2022";

(2) this House, at its rising on Thursday 10 February 2022, do adjourn until Monday 21 February 2022; at its rising on Thursday 31 March 2022, do adjourn until Tuesday 19 April 2022; at its rising on Thursday 28 April 2022, do adjourn until Tuesday 3 May 2022; and, at its rising on Thursday 26 May 2022, do adjourn until Monday 6 June 2022.—*(Alan Mak.)*

PETITIONS

Off-road Vehicles in the Gwyddon Forestry

6.7 pm

Chris Evans (Islwyn) (Lab/Co-op): I want to bring to the attention of the House the issue of illegal off-road biking, which is blighting valleys communities. The petition from the residents of Abercan in my constituency of Islwyn received more than 100 signatures.

The petition states:

The petition of residents of the constituency of Islwyn,

Declares that illegal off-road vehicles have caused and continue to cause irreparable damage to the environment of the Gwyddon Forestry in Abercan; further that the Gwyddon Forestry has, until recent years, been a safe haven for wildlife to flourish and for cyclists, pedestrians and horse riders to enjoy the rights of way and footpaths afforded to them, but that the vehicles are now destroying the natural habitats of wildlife; further that residents have been threatened when confronting illegal vehicle-users and have concerns for their own safety when reporting these issues to the police; and further that the off-road vehicles are drive and ridden recklessly by uninsured and unlicensed individuals, making it inevitable that accidents will take place.

The petitioners therefore request that the House of Commons urge the Government to engage with South Wales and Gwent Police to enforce the laws currently in place to prevent illegal activity and to encourage stronger actions against illegal off-road riders and drivers.

And the petitioners remain, etc.

[P002699]

Walsall Arboretum

Valerie Vaz (Walsall South) (Lab): The petition is from the residents of Walsall and the United Kingdom. There were more than 2,000 signatures to the online petition in similar terms. The petition states:

The petition of residents of the United Kingdom,

Declares that the Black Country Plan will build 5000 homes on the Walsall Green Belt; further that 592 of these homes will be built alongside the Walsall Arboretum, the only area of the park with open field and animal grazing views; further that the development will destroy the Green Belt, wildlife corridors and increase flooding; further that protected species of badgers and bats' habitats will be destroyed; and further that the red deer, barn owl, tawny owl, buzzards and parakeets will be lost to the area as they try to navigate around noise and light pollution.

The petitioners therefore request that the House of Commons urge the Government to take into account the concerns of the petitioners and cancel plans to build houses on the Walsall Green Belt.

And the petitioners remain, etc.

[P002700]

Mr Richard Holden (North West Durham) (Con): On a point of order, Mr Deputy Speaker. I have given notice to the hon. Member for Easington (Grahame Morris) ahead of this point of order. What I understood yesterday in my point of order was in fact incorrect. I am happy to set the record straight now.

Mr Deputy Speaker (Mr Nigel Evans): Thank you, Mr Holden. I am grateful that that is now on the record.

Shotton Steelworks: 125th Anniversary

Motion made, and Question proposed, That this House do now adjourn.—*(Alan Mak.)*

6.10 pm

Mark Tami (Alyn and Deeside) (Lab): When I looked at the Order Paper, I thought I might be making my speech at about 9 o'clock or even later, so I am pleasantly surprised. I am willing to take interventions as we have more time.

This year in Alyn and Deeside, we are delighted to be celebrating the 125th anniversary of the Shotton steelworks, which is now under the ownership of Tata Steel. The plant employs about 800 people and is an integral part of the local community. For generations, Shotton Steel has provided secure jobs and supported the local economy, and has made the Shotton site synonymous with quality, productivity and innovation. Celebrating this significant landmark is an opportunity not only to reflect on the past but to prepare for future challenges to ensure that the Shotton Steel plant continues to flourish and that it remains a stable local employer for another 125 years. I will probably have retired by then, but you never know.

Jessica Morden (Newport East) (Lab): Will my right hon. Friend give way?

Mark Tami: I will.

Mr Deputy Speaker (Mr Nigel Evans): Is it on that point?

Jessica Morden: On that point, Mr Deputy Speaker, I congratulate my right hon. Friend on securing the debate. On behalf of Llanwern steelworks, I send greetings to Shotton on its 125th birthday; Llanwern is considerably younger. Does he agree that it is important to emphasise how interconnected operations are between south and north Wales, and all parts of Wales, in the steel industry, and how important Shotton is for steel producers in south Wales?

Mark Tami: I totally agree with my hon. Friend's important point. Although Shotton is doing very well at the moment—touch wood—it is reliant on Port Talbot for the steel that it finishes. Without that, the business model does not work.

For decades, Shotton Steel has produced some of the finest steel products in the world. Today, as part of Tata Steel, it takes its place in a network of steelmakers that stretches across five continents with about 81,000 employees. Shotton is well known across the world for its extraordinary quality, efficiency and profitability, and is the company's base for a unique range of metallic and paint-coated products that are widely used in the domestic appliance, construction and other sectors. Even in this digital age, steel is essential for our public services, manufacturing, military, and everyday essentials.

Shotton's long history provides the solid foundation on which its current success is built. John Summers, born in the 1820s, ran a small business using one of the country's first handheld rolling mills to roll puddled iron into crude steel sheets for clog nails. I must say that I was not around then.

Chris Evans (Islwyn) (Lab/Co-op): Really?

Mark Tami: Really.

After John Summers' death in 1876, the business began to expand under the leadership of his son Harry, who joined forces with three of his brothers, grew the business and opened the Hawarden iron works on the banks of the River Dee in 1896. With a 250-strong workforce and the installation of eight steam-driven rolling mills, galvanising pots, annealing furnaces and corrugating equipment, that was the beginning of the Shotton Steel plant that we know today.

Workers travelled from all over the country, such was the production demand, and by 1902 Harry Summers had turned the plant's attention to steel production, with the site in Shotton being recognised as a leading steel manufacturer by 1909. John Summers and Sons was now the largest manufacturer of galvanised steel in the country, with a site covering 60 acres and employing 3,000 workers.

One of only two strikes in the works' history caused major disruption to production between 1909 and 1910. The dispute concerned the contract system, whereby at each mill one person—the contractor—employed ten others on a piecework system. It was common for workers to be paid according to favouritism, rather than the hours they actually worked or their productivity.

Stephen Kinnock (Aberavon) (Lab): Sounds like the Tory party.

Mark Tami: I can only agree with my hon. Friend.

Believe it or not, there was even the idea that some received payment in the local pub by way of a pint or two of beer. As a result, many joined the Steel Smelters Union in protest, and to avoid industrial action the Summers family drew up a deal with the disgruntled workers. However, the deal failed to avoid industrial action, as the contractors protested against it, with daily picketing at the factory gates. The dispute came to end in December 1910, following a mass address to the workforce by Harry, who agreed to replace the ad hoc contract system with the direct payment of wages—progress, indeed.

Following this period of uncertainty, Shotton focused its efforts on the first world war, producing thousands of steel sheets for the trenches, Nissen huts and shell making. Despite jobs in production remaining strictly for men, many women entered the site for the first time to carry out clerical work. In the immediate post-war years, Shotton Steel maintained its success, with the workforce rising to some 5,800. The period between the two world wars saw considerable change in both production techniques and global demand, with a general decline in demand for black and galvanised sheets, which at one time accounted for 98% of Shotton's production. Disruption continued during the great depression following the Wall Street crash and Black Friday, when two thirds of Shotton's workers lost their jobs and the plant closed its doors, not to open again until 1933.

During the second world war, Shotton Works operated at full capacity, producing 2.2 million tons of black and galvanised sheets for various uses. Most notably, as I am sure people will remember—I do not know whether they will remember at first hand—there were the Anderson air raid shelters, which saved many lives during the blitz. Unlike in the first world war, women were now employed in the labs, packing departments and cranes, making up about 1,000 of the workforce. Harry Summers died shortly before the end of the war, but he has always been remembered fondly:

> "A more fearless, a more honest and more straightforward man it would be hard to name",

as Richard Summers wrote in his obituary of Harry.

His Royal Highness Prince Philip, the Duke of Edinburgh, officially opened the first phase of the plant's post-war development scheme in 1953, giving the plant additional space. At that time, steel consumption by the UK car industry had increased by 88%, creating a dramatic rise in demand. Under Harold Wilson's Labour Government, Shotton moved to public ownership under the British Steel Corporation, employing 12,000 people out of the 270,000 British Steel Corporation employees nationwide. That figure, if we think of the workforce today, shows the dramatic change.

While this marked the end of the Summers' ownership, for generations after the family name remained synonymous with Shotton. The Summers family had guided the company to become a world leader in steelmaking, putting Deeside on the global stage. I know that many people, even now, still refer to it as Summers's—the name has lived on.

The 1970s were dominated by disputes over plans to phase out iron and steelmaking at Shotton, as part of the Government's deep-seated review of the British Steel Corporation. Following several protests and backroom negotiations, led by the workers action committee, in May 1977 the British Steel Corporation removed proposals for the termination of iron and steelmaking at Shotton. With trading prospects looking brighter, the review was put on hold until 1982.

Sadly, rising oil prices and declining demand for strip mill products brought the review forward to 1979, resulting in a plan to end iron and steelmaking at the plant by 1981. Around 6,400 jobs were to be phased out following an agreement between the British Steel Corporation and trade unions. No community in living memory had faced the prospects of such a substantial and rapid loss of jobs—I think it was the place where the largest number of jobs were lost on a single day in a single plant anywhere in western Europe. As a result of only the second period of industrial action in its history, some 7,000 workers clocked off in December 1979, never to return other than for counselling. The heavy end closure was eventually complete in 1981.

The workers action committee, which had fought hard for the retention of iron and steelmaking at the works since 1972, formally disbanded its campaign, which was probably the longest in British industrial history. It had been successful to the extent that Government decisions were reversed on two occasions, with the British Steel Corporation withdrawing its closure proposal totally at one time. Despite the eventual loss of jobs, the Shotton campaign is regarded by many in this place, trade unionists and others as a model of collective resistance. By peaceful demonstration, reasoned argument and persuasion, the men and women of Shotton won support and sympathy at the highest level of Government. I put on record my thanks and, I am sure, that of everyone at Shotton, to Lord Jones, now in the other place, who led delegations and campaigns and spoke

[Mark Tami]

many times in this place and the other place, and continues to do so, in support of Shotton and how vital it is to the area.

Towards the close of the century, Shotton's productivity saw strong growth, with modern equipment and processes, an increasing product range, and high-quality performance. Shotton was the centre of Britain's coated steel production once again. By the time the Corus Group was formed to run the Shotton plant in 1999, productivity had tripled compared with 1986 levels. Corus was acquired by the Tata Steel group in 2007, and despite global financial challenges, the works remained profitable and forward thinking. With a focus on high-value products, the works achieved a record level of profitability within 10 years. Today, Shotton's primary markets are construction and consumer products, supplying global brands such as Airbus, Jaguar Land Rover, IKEA and Wickes. As I said, it employs around 800 people.

In its 125-year history, Shotton has remained resolute, and it is still one of the largest employers in Alyn and Deeside, fostering hundreds of livelihoods. We can reflect on the history, but we should not dwell on it, because the next 125 years are just as important as the first, if not more important. This Government must step up their support for the UK steel industry, which continues to face critical challenges. A decade of Government indifference and failure to take action has caused the UK steel industry to nosedive by a fifth—a £1 billion hit to our economy. Since 2010, UK steel production has plummeted by 21.5%, which is 20 times the average among other European countries.

We are all experiencing the dramatic rise in gas prices, which hits Shotton hard because it relies mainly on gas for its energy. When we compare our gas and electricity prices with those in other countries—they are 60% cheaper in Germany and 51% cheaper in France—it is a miracle that we have a steel industry at all.

Stephen Kinnock: As my hon. Friend the Member for Newport East (Jessica Morden) rightly pointed out, there is a family of steelmaking plants in Wales, Port Talbot obviously being the hub, and we send birthday greetings to Shotton. The integrated nature of the steelmaking process means that the energy costs for Port Talbot, which are the highest in Wales, are crucial for the entire steelmaking process in Wales. As my right hon. Friend the Member for Alyn and Deeside (Mark Tami) has rightly pointed out, we are trying to compete with one hand tied behind our back, because the Government's inaction is leaving us with massively higher energy costs than our European partners and neighbours.

I hope the Minister does not say, "Well, we pay the energy intensive industries compensation fund," because these energy price disparities exist after that fund has been provided. Let us please not hear that line again from the Government. Does my right hon. Friend agree that this is the No. 1 priority? We are just asking for a level playing field. We have talked about the past, but the present and the future are so much more important. Unless we get this sorted, we are going to be uncompetitive for another year, two years or even 125 years.

Mark Tami: My hon. Friend makes a vital point, and I totally agree with him.

Nia Griffith (Llanelli) (Lab): I congratulate Shotton steel plant on its 125th anniversary. I bring greetings from Trostre, which this year celebrated nearly 70 years of existence but, like Shotton, uses the steel produced in Port Talbot. Does my right hon. Friend agree that the Government must not only pull out all the stops to ensure the very existence of our steel industry, which is facing these astronomical and totally uncompetitive prices, but invest in a massive renewables programme to secure energy for the future, help the decarbonisation of steel production in this country and ensure the future of Shotton, Trostre, Llanwern and Port Talbot?

Mark Tami: Once again, I agree. I am also very concerned that the Government only ever seem interested in the steel industry when we are in crisis. When there is a crisis, suddenly the Government are all over the steel industry, and the moment it drops out of the headlines, so does the Government's interest in it. That is just not acceptable. As my hon. Friends have said, the danger is that, at some point, the industry—or significant parts of it—will fall over. My hon. Friend the Member for Aberavon (Stephen Kinnock) made the point that without Port Talbot, there is a danger that there would not be a Shotton either. That is a point that the Government really need to grasp.

There is no mention of steel in the Government's latest Budget or their so-called plan for growth, and their industrial strategy has effectively been scrapped. There has been a total failure to support environmental targets with investment that could boost decarbonisation in the industry. Funding from the clean steel fund has been delayed until 2023 and, as I have said, the issue of high energy prices has been completely ignored. All we ever get is, "Oh, it's nothing to do with us. Have a look at Ofgem; maybe they can do something." That is not acceptable.

Labour's analysis shows that 24p of every pound spent on steel for Government infrastructure projects was spent outside the UK in 2017-18, meaning that Shotton and other plants throughout the UK have been left behind. The Government are making an utter mockery of their pledge to "level up" with such actions, which leave behind steel areas completely. Stronger "buy British" steel targets could create and safeguard around 50,000 jobs, and boost the economy by £4.4 billion. Vitally, it would also lower the environmental damage of steel imports. True levelling up would consist of more than just rhetoric. It is clear that we need decisive action and decisive planning. We heard only a couple of days ago in the other place that steel for our warships and our submarines is being imported, with the argument being, "We don't have it in this country." We do not have it in this country because we were not told soon enough that the plants could start producing what was needed. The end result is that we are importing steel to build warships and submarines. That is how stark the position is and how stark the Government's failure is.

As well as taking action to secure the next 125 years of production at Shotton, we must also reflect on the role Shotton is taking in the fight against the climate and ecological crises we face—a point raised earlier. We need a green plan for steel and we need it to be supported by the Government. I want Shotton steelworks to become the first carbon-neutral plant in the UK. Shotton has been central to much progress in UK steelmaking for more than a century, so it would be fitting for the plant

to lead the country's decarbonisation efforts. Fortunately for us in Wales, the Welsh Labour Government are already taking the first vital steps to support Shotton's path to becoming carbon neutral. The manufacturing action plan for Wales, a collaborative effort made between Industry Wales, trade unions and representatives from the manufacturing sector, is central to that progress. First Minister Mark Drakeford is stepping in to take action in pursuit of a prosperous, green and equal economy.

The Tata Steel group has been clear that decarbonisation and securing a green approach to steelmaking are top priorities. Shotton is already playing a key role in the fight against climate change through the application of its products in the construction of "active" buildings, which produce more energy through renewables than they consume. There is scope for more progress, and we must support and encourage Tata with that. Many critics argue that decarbonisation and economic growth in the steel industry are mutually exclusive, but with the right financial backing and strategic approach, Shotton can lead the UK steel industry to being carbon neutral and continue to support jobs in north Wales.

We hear a lot from the Government that hydrogen is the future. It may well be the future, but it is not currently the present and it will not be the future unless we invest in it. It is not going to happen by accident that one day we wake up and the steel industry and other industries suddenly have plentiful supplies of hydrogen, it works and everything is fine. We need to be ploughing investment into research now, otherwise we will fall further behind and we are already falling behind our European neighbours.

The steel industry in Alyn and Deeside is the very fabric of our area.

Stephen Kinnock: The point on hydrogen relates to the discussion we were having about energy costs. An electric arc furnace approach or a hydrogen-based approach takes even more energy, power and electricity than the current gas-fired approach. If we do not get the energy costs issue sorted, it will completely hamstring our efforts towards decarbonisation.

Mark Tami: I absolutely agree with my hon. Friend. We have to look at the whole picture, not just part of it.

Matt Western (Warwick and Leamington) (Lab): I listened closely to what my right hon. Friend said about energy. On the point about costs, the Labour party's proposal to introduce a total review of business rates is critical to the industry. As we know, comparison of business rates in this country with their equivalent in Europe shows a disadvantage for the UK of something like 70%.

Mark Tami: My hon. Friend makes a very good point. Every which way the industry turns, it seems to be at a disadvantage to its neighbours.

I implore the Government: instead of turning their back, will they turn towards the people they serve, provide a proper industrial strategy for the industry and the workers, support the industry to decarbonise, and put stronger targets in place to buy British? It is our duty and our place to stand up and represent the industries and businesses providing a livelihood for the people we represent, which are the lifeblood of our areas, while taking steps to secure a green and sustainable environmental future for us all.

Shotton has provided communities in Alyn and Deeside with secure employment since its inception, has supported the local and global economy and has provided vital quality products for infrastructure developments. The Government must recognise and support the Tata Steel group in its effort to transform into a green steel producer. I will continue, as I am sure hon. Friends will, to demand that funding is properly directed to that area. Above all, I will continue to stand with the workers of Shotton Steel, the trade unions and the management, for it is their skill and dedication that maintain production and innovation. It is they who keep Shotton at the heart of the community, and it is they who will be central to the next 125 years of steel making in Alyn and Deeside.

6.36 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Lee Rowley): Thank you, Mr Deputy Speaker, for the opportunity to speak this evening. I am grateful to the right hon. Member for Alyn and Deeside (Mark Tami); I congratulate him on securing this very important debate for him and his constituents. It is important that we celebrate this extremely important milestone for his constituency and for north Wales in general, so I am grateful for the opportunity to contribute to the debate and respond on behalf of the Government.

I confess that I do not know a huge amount about Shotton steelworks—I come from a very different part of the country—but it has been very helpful to hear all the history that the right hon. Member has outlined so clearly and cogently in the past 20 minutes or so. From the little I do know, I know that there are many reasons to celebrate the 125th anniversary of Shotton Works. One reason is the history that he went through; it has been fascinating to hear about the contribution that Shotton has made for so long, the deeply embedded history within the community and the opportunities that Shotton has had over a century and a quarter. Its contribution over such a long time includes producing millions of tonnes of steel sheet to build shelters for the population in the second world war, for example.

The hon. Member for Newport East (Jessica Morden) highlighted the interaction of steelworks, across Wales and more broadly. Shortly after being appointed Minister for industry, I had the privilege of visiting Tata's plant at Port Talbot. It was an extremely interesting and useful visit: I was impressed by the scale of the plant and the level of integration of systems. I have not yet had the opportunity to go to Shotton, but I look forward to doing so. I am aware that Shotton steel can be seen in a huge number of places, from IKEA stores to Jaguar Land Rover showrooms and even the Old Trafford stadium. The sculpture commissioned to mark the anniversary showcases the best of the plant's products and will be a proud reminder of this milestone.

In highlighting the constant evolution and innovation of the Shotton plant, I pay tribute to the very regular discussions about Shotton over so many decades in this place, not least because of the contributions from the right hon. Member for Alyn and Deeside as its constituency Member of Parliament since 2001. He mentioned his predecessor, Barry Jones, who was just as assiduous a contributor on the issue; Barry Jones's predecessor, Eirene White, was talking back in 1954 about how Shotton steelworks had secured

"a…record in steel production."—[*Official Report*, 24 November 1954; Vol. 533, c. 1337.]

[Lee Rowley]

It was a pleasure to work through *Hansard* for a little while this afternoon to understand the history of Shotton's relation to this place. I think it was talked about as long ago as November 1948, when there was a big discussion about whether iron ore should have been brought over from Birkenhead or sourced from elsewhere.

I know, on a personal level, how important this is to the right hon. Gentleman's constituency. My own constituency is not particularly steel-based, although there is plenty of steel nearby, but it has a proud industrial heritage and a proud industrial past, and is making its way towards the coming decades of the new industry that the right hon. Gentleman is so keen on. Speaking as the Member of Parliament for North East Derbyshire as well as the Minister for industry, I know how important Sheffield steel is to local communities, and I know that it has been integrated in the histories of those communities. I have no doubt that that applies as much to steel in Wales as it does to steel in Sheffield.

My constituency has faced similar challenges. We had a steelworks back in the 1870s, a little before the right hon. Gentleman's steelworks began, but it closed overnight in 1883, and all the activity was moved up to Cumbria. Although it was on a very small scale and long before my time, I am well aware of the huge interaction involved, and of the huge importance of the steelworks industry in general to local communities.

I applaud Shotton's commitment to becoming carbon-neutral by 2040, and the efforts that have been made so far. For the past 15 years the site has run a scheme offering to offset customers' carbon emissions, and as a result more than 130,000 tonnes have been offset via investment in clean energy projects in the developing world. I also pay tribute to its work with Natural Resources Wales to create bird habitats: I understand that 20,000 tern chicks have flown from the breeding grounds created in the lagoons. That is a brilliant example of the way in which industry and nature can co-exist.

I know how important Shotton and its history are to the right hon. Gentleman's constituents, but I also know that we have the shared aim of securing the future of steelmaking in this country, particularly in the areas where it has a history and has thrived for so long. Although he and I may not agree on every element of the speech he has made tonight, I know that how assiduous he is, and how keen he is to see more progress and improvement. Let me now deal with a few of his points, in the spirit of constructiveness that has been set by the debate.

I recognise the challenges that the right hon. Gentleman has identified in suggesting that the Government are not taking steel seriously, but I would urge some caution. While there is no doubt that challenges will be coming our way in the next few decades, I believe that for a number of years the Government have demonstrated their willingness to support the UK industry where necessary to maintain its resilience. Mention has already been made of the subsidies that have been provided to support electricity for the steel industry, and for other energy-intensive industries, over the past decade or so. The industrial energy transformation fund is helping to transform steelmaking in Wales, and a project is going on there right now. The net zero hydrogen fund is coming, and funds are currently in place for the Materials Processing Institute to increase efficiency, reduce emissions and improve competitiveness.

I accept that gas prices are high at the moment: there can be no argument about that. They are volatile, and have been for some months. At some points in 2020, they were low in relation to where they have been historically, but they are now relatively high. However, I hope that the support that we have provided for energy-intensive industries since 2013 has mitigated that to some extent, and we have confirmed that it will continue.

Mark Tami: Before the recent spike in energy prices, the comparison with Germany and France was even starker. That is because the Government have consistently failed to address this fundamental imbalance in the system.

Lee Rowley: I know that the right hon. Gentleman will not expect me to accept that point. We accept that there is a challenge with energy prices at the moment, and we understand that that is a cause for concern for a number of energy-intensive industries, including steel, ceramics—which I debated with a number of colleagues in this Chamber and beyond in another place last week—glass and paper. We are keen to understand the detail, and it is important that we recognise that there is nuance in this debate and that different strategies are being employed by different companies.

There are also different contexts in which these energy prices are applied. A diverse group of industries are impacted by gas prices. Efficiencies are being pursued in some places, and there are hedging strategies in others. I accept the right hon. Gentleman's challenge that energy prices are high, albeit volatile and variable, but I hope he will also acknowledge that we are really trying to work with the industry and the sectors to understand the different challenges presented by high gas prices, and that we will continue to do so over the coming weeks and months.

Matt Western: I applaud the Minister's ambition in seeking to address energy costs in the energy-intensive industries that he has just identified. Would he welcome and support a move towards a greater number of onshore wind turbines, which would be one of the best providers of low-cost energy to this country?

Lee Rowley: If the hon. Gentleman will forgive me, I will not set out our energy strategy on wind turbines today. That would be a matter for one of my colleagues in the Department. The broader point that he makes, however, is that over the coming decades we need to decarbonise our electricity supply. We have had some success in doing that over the previous decades. By doing that, through whichever process we can achieve it, we will ensure that we have clean and green energy to support industries such as we are talking about today.

I just want to touch on a couple more points before I close. The right hon. Member for Alyn and Deeside highlighted his concern that the Government do not focus on steel. I would not accept that point. In the 10 or so weeks that I have been the Industry Minister, I have already visited two steel mills and had regular conversations with the companies involved. I have met them on a number of roundtables and will continue to

do that. On a broader level, we had the announcement at COP26 and the Glasgow breakthroughs, and we will be working with a number of countries around the world to ensure that we can decarbonise the industries that are more challenging to decarbonise. That indicates a desire to find ways through difficult challenges where there are no easy answers, and the Government and communities are trying to work through how to do that.

One way is through hydrogen, as the right hon. Gentleman highlighted extensively in his speech. He was somewhat sceptical about the UK Government's activities in this space, but I want to place on record for completeness that there has been significant movement on hydrogen in recent months. We had the publication of the hydrogen strategy in August, the hydrogen business model is being consulted on, and the net zero hydrogen fund stands at nearly £0.25 billion. We also have the UK low carbon hydrogen standard. Of course there is much more to do on that, which is why we are putting in place the frameworks for that to happen, but I hope that that demonstrates an intent from the Government to explore the possibilities around hydrogen.

Finally, I want to touch on procurement, because I know that that was an important part of the right hon. Gentleman's speech.

Nia Griffith: Just before the Minister moves on to procurement, may I say that it is disappointing that he does not seem to have taken on board the seriousness of the issue of energy costs? They were 61% above those of our major competitors before any of the crises and conditions that we now face. I ask him to take this seriously now, and to go back and have a real think about what we are going to do, because we are genuinely facing the extinction of our steel industry if we cannot be properly competitive.

Lee Rowley: I am grateful to the hon. Lady for highlighting that this issue is vital to companies across Wales and across the country, and I reiterate that we take it seriously. In recent months, much of my time as Industry Minister has been spent on meeting and speaking to those affected to get into the detail of their concerns and how they are affecting individual companies and individual sectors. A diverse range of sectors are affected, and we will continue to work with industry to see what is possible within the wider context of volatile and variable gas prices over the coming months.

The right hon. Member for Alyn and Deeside highlighted his concern about procurement, and I gently highlight the procurement taskforce, which is currently under way. A substantial amount of procurement in the public sector is supported by UK steel. Last year more than £100 million-worth of UK steel was procured by major public projects in the UK. Network Rail reports that 85% of the steel it took in during 2019-20 was from UK producers, and High Speed 2 reports that all of its structural steel is from UK producers. We know that UK steel is a brilliant product, and we know it has brilliant opportunities. We want it to be able to take those opportunities both in the UK market and globally in the years ahead.

I hope it is recognised on both sides of the House that the importance of the UK steel industry to resilience and ensuring we have a clear pathway is taken as read. Steel is important to the UK and to the UK Government. We have given it substantial support in recent years, and we will continue to consider what is possible in the years ahead. We recognise there are challenges and the work continues, but I thank the right hon. Gentleman for securing this debate and for providing me with the opportunity to respond. I wish Shotton all the best in the next century and a half.

Mr Deputy Speaker (Mr Nigel Evans): From this proud Welshman, will you take the very warm wishes and congratulations of everybody at the House of Commons to Shotton steelworks, to the current workforce and to the former employees and their families, and will you congratulate them all on this incredible milestone?

Question put and agreed to.

6.51 pm

House adjourned.

Westminster Hall

Wednesday 1 December 2021

[Yvonne Fovargue *in the Chair*]

Community Debt Advice Services

9.30 am

Yvonne Fovargue (in the Chair): Before we begin, I remind Members that they are expected to wear face coverings when they are not speaking in the debate, in line with current Government guidance and that of the House of Commons Commission. I also remind Members that they are asked by the House to have a covid lateral flow test twice a week if they are coming on to the parliamentary estate. That can be done either at the testing centre in the House or at home. Please give each other and members of staff space when seated and when entering and leaving the room.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I beg to move,

That this House has considered reductions in community debt advice services.

It is a pleasure to serve, even if very briefly, under your chairship, Ms Fovargue. I thank my hon. Friend the Member for Kingston upon Hull East (Karl Turner) and my right hon. Friends the Members for Kingston upon Hull North (Dame Diana Johnson) and for Wentworth and Dearne (John Healey), who have supported me on this issue from the very beginning and who are all here today.

I will start by giving a brief outline of the cost of living crisis and then go into the importance of face-to-face debt advice, before looking at the potential model that the Money and Pensions Service will introduce and finishing with my specific requests for the Minister. For brevity, I will refer to the Money and Pensions Service as MaPS; otherwise, we will end up spending an awfully long time just on the title.

A survey by the Joseph Rowntree Foundation in early October this year showed that the number of UK households that are behind on rent, bills or debt repayments has trebled since the pandemic hit, and now stands at nearly 4 million. The pandemic has dragged families who were previously just about managing into arrears on essential bills, and we know that economic pressures are getting worse. Those in receipt of universal credit are beginning to feel the effects of the £20-a-week cut—a cut that Labour, of course, opposed. The ban on evictions has ended, domestic fuel prices are rising and the collapse of providers means that many people have already been transferred to new companies on higher tariffs. As fixed-term plans end, more people will face increased energy bills, and that is before the energy cap is uplifted in April. The Chancellor has it in his powers to reduce VAT on fuel but has chosen not to do so. Workers also face an increase in national insurance. Inflation is rising and is now around 4%, and many expect it to remain at that level until mid-2022.

This is all creating a cost of living crisis, and an increasing number of people will find themselves needing advice and support with debt—many for the first time. Currently, debt advice is provided by a network of local providers and national charities such as Citizens Advice, and they are funded through nine regional grants from MaPS.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): Outside the usual services, a number of charities I have met recently have reported that people are approaching them for debt advice or asking to be signposted. The third sector is already struggling to obtain funding in my constituency. Does the hon. Lady agree that it is unfair to expect charities to shoulder most of the burden?

Emma Hardy: I absolutely agree. As I have outlined, we expect more people to seek debt advice, and the burden will fall on those who provide it at the moment. I pay tribute to all those who currently provide support and debt advice. Some are volunteers, but they often deal with complex cases and they work with sensitivity and compassion to help people at extreme times of personal crisis. Over 100,000 people attempt suicide each year because of debt, so the services that these organisations provide can literally be life-saving.

Lots of people need face-to-face debt advice for a huge variety of reasons. There is the obvious reason—that they do not have the technology or the internet—but it is not just that. Debt advice clients are often vulnerable. For many, this is due to personal factors such as disability, language barriers, alcohol or substance abuse or mental health conditions. In fact, debt advisers tell me that 82% of their clients have concerns around mental health. But many others are vulnerable due to a change in circumstances—to quote the famous phrase, "We are all just two pay cheques away from being in the same situation." People get into debt because of bereavement, loss of employment, poor health or domestic abuse. Face-to-face advice provides a safe, supportive environment for a person to seek help.

Hilary Benn (Leeds Central) (Lab): I congratulate my hon. Friend on securing this debate, and she is making a very powerful speech. Supported by Unite the union, a number of debt agencies in my constituency, including the Ebor Gardens Advice Centre, Money Buddies, St Vincent's and Better Leeds Communities, are seriously concerned that the renegotiation of the MaPS contract will lead to a dramatic reduction in face-to-face advice. Does she agree that it is precisely in the most complex cases, which she is talking about, where people have a carrier bag full of papers, that those agencies, which do a fantastic job, need to be able to see a person face-to-face in order to give them the best possible help to get out of the debt that is weighing on their shoulders?

[Hannah Bardell *in the Chair*]

Emma Hardy: I absolutely agree with my right hon. Friend. As debt advisers say, the first face-to-face appointment can be extremely emotional for many people. Sometimes it is the first time they have ever told anybody about their debt problems. For a number of reasons, they might not be able to discuss them at home. Sometimes people feel ashamed and unable to tell their partner that they are suffering from debt. They do not want to be seen as not being able to cope. They could also be a victim of financial abuse—a form of domestic abuse—and they might not want to tell someone of the situation they are in. Sometimes, as my right hon. Friend said, they have accumulated so much correspondence that they are

[Emma Hardy]

afraid to open it. Bringing those letters to a face-to-face appointment provides the emotional support they need to address the problem.

Debt is often multifaceted. It is a mistake to think that it is an easy financial problem that can be solved by someone at the end of a telephone following a flow chart and using a script. It is not, and nor is it as easy as someone clicking options on a website. People might start with information from a website, then use the phone and finally need a face-to-face appointment with a case adviser. Those face-to-face advisers know their community. They are not just experts in debt advice; they have links to other charities, councils, jobcentres and even local bailiffs. As debt advisers, they have a relationship with those organisations, and they can speak to them and sometimes resolve the problem. When someone enters Citizens Advice with debt advice problems, there are experts there checking what benefits someone is entitled to and that they are getting them. They might say, "Here is where you can get mental health support in the community." They know the area because they are based there. Moving services to national or regional call centres breaks that connection, which is a disadvantage to everyone.

Dame Diana Johnson (Kingston upon Hull North) (Lab): I congratulate my hon. Friend on securing this important debate. She knows well the high levels of indebtedness in Hull. The fact that there is such an excellent service operating through our local citizens advice bureau is of huge benefit to many people. We know that demand is only going to get higher with the cost of living crisis, which she has so ably outlined. Does she think that having a hybrid system, where there is accessibility through face-to-face appointments as well as telephone advice, is the way to go, rather than moving to telephone advice only?

Emma Hardy: As I mentioned at the start, my right hon. Friend has been with me from the beginning, looking at this issue and campaigning on it. She is absolutely right. I accept that some people might want to access more virtual appointments and information on a website, but it cannot come at the expense of the face-to-face component. We cannot lose that face-to-face part.

MaPS is changing the way funding is provided. Although it is increasing the money for debt advice—I want to acknowledge that, and it is set to increase to £77 million in April 2022—the bulk of that funding is moving to call centres and online services. At a meeting on 17 November, the MaPS chief executive and commissioning team told We Are Debt Advisers, which is a group representing debt advisers, that 20% of the £77 million had been allocated to face-to-face appointments. That amounts to £15.4 million. They also said that regional providers currently spend 56% of their existing £33 million on delivering this way, which is £18.5 million. By their own admission, this is a cut of just over £3 million to face-to-face services. That is made worse by the replacement of the grant system with contracting, which in its current form will exclude many smaller providers active in the sector from being able to bid for contracts at all.

John Healey (Wentworth and Dearne) (Lab): I am grateful to my hon. Friend for all her work on this issue. She makes a powerful point about the shift in priority, and therefore funding, from face-to-face debt advice to online and telephone advice. In South Yorkshire, there are currently 28 funded face-to-face debt advisers, but that will go down to seven. Pre pandemic, in Rotherham alone, the number of new face-to-face debt inquiries each year was 2,200. In the context that she has set out of rising prices, bills and taxes, she might question Ministers whether, if the Treasury or MaPS have evidence to suggest that the demand for face-to-face debt advice will go down, not up, and to justify these cuts, they will publish that, and then we will all be better informed and more confident about the future.

Emma Hardy: I thank my right hon. Friend, who has been campaigning on this issue from the very beginning. He is absolutely right: all the forecasts—all of them—show that demand for debt advice will only increase. We know that. We also know that cases can be complex and that it can sometimes be the first time that people have got into debt. So the idea that we would cut face-to-face advice at this time seems incomprehensible.

Under the new tender, MaPS will instead have three national contracts. Its staff met me—I credit them for that—and said that these will be a mix of face-to-face, digital and phone services, with one each for the north, the midlands and the south of England, and a separate arrangement for a national call centre. However, three regional contracts, instead of nine smaller ones, as it was before, means that small, local providers that currently rely on MaPS funding for the bulk of their income face having to drop face-to-face services or close entirely. Many already know that they are not included in tender bids because they do not have the size or resources to compete individually for these tenders. Sylvia Simpson, chair of the Leeds Debt Advice Network, described the impact as "catastrophic", with three out of four local MaPS-funded debt agencies no longer able to provide debt advice after 31 March. There are serious doubts about the rationale for the decision to restructure funding. Where is the evidence to support it and its timing? Does MaPS have confidence in the outcome itself?

Debt advisers tell me that there has been no proper consultation. In the face of the national outcry from debt advice organisations, charities and trade unions, MaPS issued a two-week call for evidence concerning the impact of the covid-19 pandemic on access to debt advice. That concluded on 29 October, but the procurement exercise for the new contracts had already taken place. The consultation will not influence a procurement process that has already gone on, so what was its purpose? It is clear that the procurement exercise expected bidders to focus on digital and telephone-based services rather than face-to-face services, despite MaPS' own evidence showing that demand for face-to-face services was almost double supply.

A 2019 MaPS assessment of the need for debt advice said:

> "Face-to-face is the channel with the smallest gap between demand and supply at the national level. Nevertheless, the levels of unmet demand are high, with demand being over two times higher than supply. It is also the channel with the biggest variation in unmet demand between countries and regions. Face-to-face unmet demand is particularly high in London, where existing supply of face-to-face debt advice could meet only just over a fifth of current demand."

MaPS does not seem to have evidence that the need for face-to-face services will fall. On 29 November, in reply to a letter sent on 16 November from the Chair of the

Treasury Committee, the right hon. Member for Central Devon (Mel Stride), MaPS provided figures showing that, for the last pre-pandemic year, 2019-20, face-to-face services accounted for 34% of its consultations. That fell by only 3 percentage points, to 31%, in 2020-21, despite the fact, let us not forget, that this was during a global pandemic that involved lockdowns, compulsory mask wearing, the adoption of social distancing and people being afraid to leave their homes. Despite all that, the demand for face-to-face debt advice fell by only three percentage points. In its letter to the Treasury Committee, MaPS notes that its most recent modelling of future demand is from autumn 2020 which, as we will remember all too well, was just before another national lockdown and before the pandemic's third wave brutally hit, killing thousands of people in our country. That is when the modelling was done. MaPS does not say whether the modelling includes the impact of the pandemic, but I think we can assume it probably did not.

On the importance of face-to-face appointments, MaPS said that the forecast

"did not make distinctions between case complexity or channel of provision."

If someone has a simple debt inquiry, they would probably google it and look on a website, or they might phone someone up and check. If their case is extremely complex—I refer to my earlier points on domestic abuse, mental health and such concerns—accessing a website is not going to be suitable. MaPS needs to be looking at complex cases and how it provides support.

In other words, the modelling does not tell MaPS how much demand for face-to-face appointments to expect, and the contract does not give it control over how much can be provided. MaPS claims that changes will increase accessibility to advice in those difficult-to-reach places, but those changes could mean the opportunity for face-to-face advice would no longer exist in some areas of the country. I accept—I was discussing this point with the Minister earlier—that some areas could end up with more access to advice, but that is at the expense of other areas.

In the letter, MaPS mentions an equalities and vulnerability impact assessment. That has not been made available and I hope the Minister is able to use his influence to say to MaPS that it should be published. At the moment, MaPS is saying to me, "We do not know, because we are still commissioning. We are not sure how much will be face to face; we are not sure how much will be on the phone or remote. We haven't made any decisions." If that is true and it does not know where it is going to end up, how can it have done an equalities and vulnerability impact assessment? When MaPS has made up its mind about what it wants, I assume another impact assessment will be needed. I hope that one is made public.

I hope I have explained clearly why face-to-face advice is the only way of supporting a significant proportion of people in debt, and why a reduction in capacity and coverage will fail some of the most vulnerable in our society. I hope that MaPS does more to reach out more effectively to practitioners with a lifetime of experience and knowledge in the field. Debt advice groups such as AdviceUK believe that MaPS' vision for debt advice is deeply flawed, does not meet the needs of the diverse communities across England and does not enable the provision of flexible, in-depth and sustainable debt advice services.

MaPS cannot explain why it has made the funding allocations it has done or what impact they will have on people with complex needs. Of course, the pandemic has been a huge disrupter. Its effects are still being played out and the future remains hard to predict, but we do know that there will be an increase in the number of families in debt. We know that we are only beginning to see the devastating impact of the cost of living crisis. I hope the Minister is able to use all the influence he has—accepting, of course, that MaPS is a separate organisation and that this is a commercial contract—to call on MaPS to place an immediate hold on the procurement of new debt advice contracts, pending a thorough and effective consultation into the likely demand for face-to-face services in the near future; and to insist that there should be no loss of debt adviser jobs and an increase in funding for community-based face-to-face services. Consultation with frontline advisers through their trade union should also be essential for all future decisions affecting jobs and service delivery.

I finish by reminding the Minister of my earlier comment: more than 100,000 people attempt suicide each year because of debt. The services these organisations provide can literally be life-saving. Having the right debt advice is too important to get wrong.

Hannah Bardell (in the Chair): I now call the chair of the all-party parliamentary group on debt and personal finance, Yvonne Fovargue.

9.49 am

Yvonne Fovargue (Makerfield) (Lab): It is a pleasure to serve under your chairmanship, Ms Bardell. I congratulate my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) on her well-informed and passionate speech.

We know demand for debt advice services is high and likely to increase, because personal debt is soaring, because of rising energy and food bills, and the end of furlough and debt payment holidays. Those schemes did quite a lot to put off the problem, but it never went away. About 4 million low-income households in the UK are behind on their rent, essential bills and debt payments. That figure has grown threefold since the pandemic, and coupled with that, there have been big changes to the commissioning of debt advice. That was on 16 July, when we had hoped the pandemic was coming to an end, but it is probably still carrying on, so is this the right time for a new and completely different approach?

It is really welcome that MaPS is investing more money in debt advice, and I also welcome the fact that it is looking at the wellbeing of advisers. Debt advice puts a considerable strain on those advising: quite often, the people who come in are at the end of their tether. There was a black joke in the citizens advice bureau I worked at that when somebody came in with a bulging carrier bag, it was going to be a debt client, and the bag would be full of bills that people could not open. They had put them behind the clock until the clock fell off the mantelpiece, and then they would seek debt advice. That was not just those who could not cope, but people from all walks of life, including professional people. Debt has a particular

[Yvonne Fovargue]

impact on individuals. It often leaves people feeling shame that they are in this position and cannot do what they want for their families. That is wrong, but it is how people feel, and we cannot get away from it.

Karl Turner (Kingston upon Hull East) (Lab): I know that my hon. Friend is an expert in this area, not least because of all of the years that she worked with the CAB. Would she say something about the importance of the holistic approach to advice? This is very often not just about debt, but other issues, including domestic violence. In my experience as a criminal lawyer, people often get into all sorts of difficulties as a result of other factors. Indeed, the problem is often that people have not been pointed in the right direction on issues such as the benefits that they are entitled to, but do not actually claim.

Yvonne Fovargue: I thank my hon. Friend for that intervention, and I will be moving on to discuss the wraparound provision, which does not just cover debt advice. We cannot just see debt as the problem: the important thing is the person who has the problem, and we have to deal with all their problems through that person-centred approach. It is no good just dealing with a person's debt if they also have an employment problem or a housing problem that needs to be solved. We have to look at everything in the round.

Margaret Ferrier: Understanding how to manage our money effectively can be really hard, as well as support after debt has been accrued, so does the hon. Member agree that real-life money management education should be provided much earlier in life?

Yvonne Fovargue: I do agree, but I do not think there is a silver bullet. Some of the problem is that there just is not enough money to go around, and it does not matter how well a person manages their money if they do not have enough to go around. Money management education is one of the tools of the trade, but it is not a silver bullet.

As I was saying about the new MaPS contract, it is good to look at the wellbeing of the advisers. I have heard that the debt advice peer assessment scheme has caused advisers considerable strain, with people having to do two web chats at once, which is really not feasible: they have to concentrate on the individual. This focus on wellbeing is acceptable, but I worry about the nine regional branches for debt advice going. About half of the money will go to the three national digital and phone-based services centres in the north, the midlands and the south, which will largely be at the expense of face-to-face provision, and providers can bid for only two of those. That element of competition worries me a bit. We all know that advice agencies are competitive: we have had to be, because we are competing for a limited pot of money. However, setting people up against each other is not the way to do it. Collaboration is the key with advice agencies, and we need to see more of that. I do not disagree with contracts—I think they are a way forward—but I do think we need to look at the way in which the contract is tendered and, in particular, how it can promote collaboration.

The 50% cut in the regional services is another worry. As my hon. Friend the Member for Kingston upon Hull West and Hessle said, it is vital that there is partnership between the local agencies, and those partnerships are often built up on the ground with local knowledge. As my right hon. Friend the Member for Kingston upon Hull North (Dame Diana Johnson) mentioned, it is the wraparound casework support; the writing and phoning creditors; the knowledge of bailiffs in the area and how the local authorities work; and having those personal contacts that are vital. We know that people who have mental health issues often need the comfort of a face-to-face service. They may well be able to move on to a telephone service at some point in future, but an experienced adviser will be able to say when that point is.

I am also concerned about the nature of the contract. A number of smaller agencies are being put off from bidding because payment in arrears is a real problem. Advice agencies cannot cope with payment in arrears. They need to know that the money is there up front. They are not paying their advisers and rent in arrears; they are paying for everything and it is a month-on-month worry. The full responsibility for the TUPE arrangements is a problem, as is clawback, which needs to be specified as to the quality targets and the amounts.

I am pleased that in my discussions with MaPS it said it would not be a month-on-month target, because all of us in the advice field know that December sees a drop in cases, whereas January and February see a big rise. The demand for debt advice is not stable month on month; it goes up and down. I would also like to see time targets, not numbers. Number targets encourage short, easily dealt with cases, whereas the people who need face-to-face support need time to deal with complex debts and the emotional and other associated issues.

Mr Gregory Campbell (East Londonderry) (DUP): On the important issue of face-to-face contact and the empathy needed, particularly for very vulnerable families obviously in need, will the hon. Lady join me in paying tribute to the likes of Citizens Advice, of which she is well aware, and other groups, such as Christians Against Poverty, that offer empathy and a counselling role to assist people through those problems, and in calling for more support for such groups?

Yvonne Fovargue: I certainly will. A friendly face is important, somebody outside the family who is not judging, but dealing with someone as an individual with problems, and not just as a problem. Many local providers of face-to-face debt advice have felt unable to bid because of the risks involved in entering the contracts, and the large size of the contract, as well as the lack of any allowance for inflation at a time when inflation is expected to rise.

The specifications place undue risk on the contractors, requiring them to forecast volumes of people over the first three years of the contract. There has been a pandemic and a rise in inflation; how are they going to predict what will happen in three years' time? Three years ago, could we have predicted what was going to happen now? I do not think so. There is a worry that the small, local providers that rely on the MaPS funding may have to drop face-to-face services or close entirely. Many are not included in the tender bids and they do not have the size or resources to compete for the tender individually.

What assessment has been made of the loss of local services, those that are there now, and those that say they are likely to close if they do not get any funding from the contract? I hope that the shift from face-to-face is not motivated by cost-cutting. That is worrying because the cases are more complex and less capable of being dealt with through telephone and digital service.

Telephone services work where the debt is quickly identified and there is excess income that can be distributed to creditors in a debt management plan. That is when it works. There are fewer and fewer of those cases coming forward. Face-to-face services typically support clients with a wider range of problems, such as benefit claims, charitable applications, access to local welfare assistance schemes, that national and regional contracts are not aware of. Those services become more important because of the new help to claim contract that is being put out to tender, which takes out face-to-face entirely. That is a big mistake and will lead to a lot more debt in the future.

Clients who have complex interwoven problems, including debt, housing issues, mental illness and domestic violence, struggle to access and navigate online services. In my borough, in Wigan, people do not go online as much as in other boroughs. In fact, only a couple of years ago, 30% of people in Wigan said they had never been online. They would be particularly at risk.

It will hit vulnerable clients, less well-off people, young people and people with dependent children. We assume all young people go online to get help with their debt, but that is not the case. Quite often, when they are hit by debt for the first time, they do not know who to turn to. It is important that they can turn to an individual, who can say, "Okay, do this," and then perhaps move them on.

The previous commissioning strategy seemed to better recognise that people in debt need access to a wide range of wraparound support, but that has now been superseded. How was that previous contract looked at? Why was it seen to be unsuitable in the future?

AdviceUK says that MaPS' approach is wrong because it is rooted in a mistaken belief that debt is solely a problem of poor choices by individuals. That needs to be part of a wider conversation about welfare support for the most vulnerable, rising living costs, improving life chances, unstable and poorly paid work, which we know is a big driver of debt, and improving the credit industry, especially the way in which people on low incomes are treated by that industry and the products that are available to them, which often cost more and are less suitable.

I agree with my hon. Friend the Member for Kingston upon Hull West and Hessle that there needs to be a pause to this contract and that we need to look at it in the round, and whether it will improve the lives and the chances of people in debt. I would also like us to look at debt solutions and debt enforcement. We need to put more thought into how to prevent people from falling into debt in the first place, how to get more money into people's pockets and how we deal with them when they get into debt.

Inevitably, people will get into debt. From the time that citizens advice bureaux were founded during the second world war, they have worked to put themselves out of business, but they are now needed more than ever. There is not going to be a solution that will ever bring an end to debt. We have to get solutions that make the lives of people in debt easier and more manageable, and certainly try to take the stigma away from debt.

10.2 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, Ms Bardell. I congratulate the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) on setting the scene and thank her for that. This is a massive issue, not just in the hon. Lady's constituency, but in my own. In our office, we deal with those who have extreme financial difficulties every day and every week. I will give a couple of examples, without mentioning any names.

In Strangford, the CAB, Christians Against Poverty, church groups and other groups provide community debt advice services; those are the groups that I work with on most occasions. There has been an increase of at least 30% in gas, electricity and oil prices in Northern Ireland, and cold weather and an extreme winter are predicted. Food prices are up by as much as 20% in some places and there is the additional pressure of Christmas, with the expectation that many families feel forced to live up to. We all know about that because we talk to our constituents. When children see something at school that their friends have, there is almost an onus on the parents to make sure their children get the same thing. That is not a criticism; it is the nature of how we live in our lives, but it adds a huge burden to low-income families, with recent reports citing that families will spend an average of £300 per child. That does not include spending on other family members.

For me, Ms Bardell, Christmas is a time to enjoy being with family. I have three boys who are 32, 30 and 28, three daughters-in-law and five grandchildren, so for me Christmas is time to spend with my grandchildren. The good thing about being a grandparent is that at 7 o'clock at night I can give them back. We have all had those joys as parents; when they have a tantrum, or they get a bit tired but they do not want to go to bed—or they do want to go to bed.

Margaret Ferrier: A lot of people are not aware that Christmas spending is something that can be accounted for in income and expenditure forms when dealing with debt. Does the hon. Gentleman agree that the need for better awareness when dealing with debt does not mean losing that quality of life as well?

Jim Shannon: We do not want to lose quality of life, but we do need to deal with the reality of life. The hon. Member for Makerfield (Yvonne Fovargue) outlined in great detail the issues that most families feel—and address. It is easy for me to talk about time with the family, because it is my wife Sandra who chooses the Christmas gifts. She is better at it than me, and knows what the children want. The money we spend is disbursed as she sees fit. However, for other people, it will be a juggling exercise between buying Christmas presents and being able to afford the oil and electric bills. That is the issue and that is why I am here to speak on behalf of those constituents who are under great pressure.

The security is not there for many families. Rather than seeing disappointed faces on Christmas morning, people make purchases and live with the debt for months to come. Last week, in my local press back home, there

[Jim Shannon]

was an indication that this year in particular, the issue for those who have maxed out their credit cards is that they will turn to payday loans. I have forever cautioned against that, because the reality will be extreme. There will be a pain-free two weeks, but then there will be a very painful month after Christmas. I have extreme concern for those people.

Yvonne Fovargue: Is the hon. Gentleman as concerned as I am about the rise in buy now, pay later debts? These are increasing exponentially; one advice agency said that 34% of people are now coming to them with buy now, pay later debts.

Jim Shannon: I certainly am concerned. I am going to give two examples of those who have had extreme difficulties. There are many groups in my constituency that do great work; Citizens Advice is one of them. I have dealt with Citizens Advice ever since I became an elected representative, first, as a councillor in 1985, then as a Member of the Legislative Assembly and now as a Westminster MP. I have a good working relationship and regular contact with Christians Against Poverty; they are inundated with people who have decided to make this new year the one when they get on top of their finances. Last year, CAP helped over 16,000 people with debt; they shared in the success of 2,500 becoming debt free—wow, it is a big day for people when they become debt free. It is so important. They helped almost 1,500 people through a covid-19 emergency appeal. Christians Against Poverty in my constituency are based at Thriving Life church in Newtownards. I think probably all the churches have a help and advice service, similar to what Christians Against Poverty do. However, Thriving Life Church does particularly incredible work.

While I was sitting in this debate, I thought of one example—I am conscious of time and I want to be fair to other Members. On occasion I have had to contact Pastor Cotter of Elim Church, Newtownards, to deal with some personal debt issues that he has been able to help with. His ability to work through the mechanics of the mathematics and make sure that people get out the other side is incredible. The hon. Member for Kingston upon Hull West and Hessle said in her introduction, and it cannot be emphasised enough, that this drives people to the very edge of desperation. I have seen that. Christians Against Poverty facilitate, through some 1,200 churches across the UK, help and advice to those families and individuals who have got themselves into difficulties with their money. Many of these are working people; they are the working poor. These are the people we are here to represent. They are people who have incredible financial difficulty, who are squeezed most by the removal of the tax credit bonus, and who are suffering most with the universal credit differences.

I am going to give another, desperate example. I know one young woman in my constituency whose disability living allowance was turned down. Over the seven months of her appeal process, she found herself in over £4,000 of debt, through maxed-out credit cards and payday loans—she was absolutely in over her head. I know that this is not the Minister's responsibility, but there must be some way of hurrying up the process. It eventually found in her favour after seven months, but that was seven months of excruciating worry when she was pushed to the point of suicide. This is no exaggeration, but by the time she came into my office she was sobbing her heart out, mortified and suicidal. I was so grateful that my staff knew who and where to send her—where she would receive help and compassion and where there would be no judgment.

People who max out their cards are scared, fearful, apprehensive and extremely worried. That is why Citizens Advice, Christians Against Poverty and other groups are so important, and that is why we as elected representatives make those points on behalf of our constituents. My constituent needed CAP's help, and that is why I believe that CAP and other community debt organisations are essential in today's climate. Not only do they help to take the stress of the phone calls and letters but they future-proof finances. In other words, they sort out people's issues today as well as giving them advice for the future—it is important that they do not later fall back into debt—and teaching finance coping mechanisms. They go through day-to-day finances with savings schemes and allocate money for small treats—people need the small treats for their children and families that many of us take for granted, such as a cinema trip or the Chinese at the weekend—as they understand life and have the expertise and knowledge to teach others a better way of handling the stress and pressure of life.

Christians Against Poverty and other community debt advice providers save lives and prevent the break-up of family units with their support and help. I thank CAP in Newtownards, based at Thriving Life church, for all that it does. Community debt centres are lifelines, and we have a responsibility to ensure that they have funding available to help to cover the costs of their free services, which save lives and improve people's quality of life. As we come towards Christmas, I remind people that there is a way to come to terms with crippling debt: take that first step of acknowledging your problems and seeking the help you need. People want to help you, and your MP will want to help. Do not wait for the new year to come. Do it now, and have your Christmas unburdened by the stress of debt that is weighing you down. Help is available—just ask. People are there who could help you.

Several hon. Members *rose—*

Hannah Bardell (in the Chair): Order. Four more Back Benchers wish to speak before I call the wind-ups at 10.40 am, so I ask Members to be kind to one another and speak for no more than six or seven minutes.

10.12 am

Nadia Whittome (Nottingham East) (Lab): It is a pleasure to serve under your chairship, Ms Bardell. I thank my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) for securing the debate and speaking so passionately about the impact on her constituents, and indeed all our constituents.

In the last 13 years, families in Nottingham East have faced blow after blow to their finances. People lost jobs and savings in the 2008 financial crash, more than a decade of austerity has seen benefit payments brutally cut and, in the pandemic, incomes have plummeted. Throughout all of that, our community has been able to rely on St Ann's Advice Centre, which has been a lifeline to so many people in Nottingham. Its debt advisers help

to set up manageable payment plans, help people to complete financial statements and apply for certain grants, carry out benefits checks, and provide advice on budgeting decisions. More than that, from employment advice to food, furniture and clothing, the advice centre takes a holistic approach to supporting individuals. It is a one-stop shop for people facing poverty.

St Ann's has three debt advisers funded through a MaPS contract. However, under the new proposals, it will lose all of them and, because MaPS has the monopoly on debt advice, it is unlikely to get support from anywhere else. MaPS argues that, while community-based face-to-face services are being cut, more money is being put into a centralised digital and telephone-based system. There are a number of major problems with that change, but I will outline just two. First, removing the local face-to-face element will take away an entire support system from people. When people come through the door at St Ann's for debt advice, they can also get support with a whole range of other issues tailored for them locally—they can leave with a food parcel or a clothing parcel—which cannot be replaced on the internet or over the phone. Secondly, digital and phone advice is simply not appropriate for some of my constituents.

According to frontline debt advisers working on webchat, about 50% of all clients either disengage or need to be directed to face-to-face services to ultimately have their problems resolved. Can the Minister say what will happen to people whose problems cannot be solved by digital and phone-based services? Who will support them if community debt advice is cut? Disabled people, elderly people, those who require translation or who lack regular access to a phone or the internet due to homelessness or poverty—those people will suffer. Many of them are among the most marginalised and vulnerable in society.

Recently, St Ann's debt helpline inbox received 455 emails in one week. That is the worst they have ever seen. These changes and cuts would be wrong at any time, but to implement them now—after a pandemic has wreaked havoc on people's lives, as families have £20 a week cut from their universal credit payments, as national insurance contributions rise, and as bills and food prices soar—is simply inhumane.

The debt crisis will only grow. MaPS is removing some of the last genuine support my constituents have access to—the people they turn to when bailiffs are at the door; the people who will hold their hands in times of extreme personal difficulty and crisis. The Government must remember that savings made through cuts to community debt advice will have knock-on impacts on other public services, such as the benefits system, mental health provision and homelessness services.

I urge the Minister to pause this contract. He has heard today about the catastrophic impact these changes will have on people's lives—on my constituents and on his. Go back to the drawing board and work with MPs across the House to implement the kind of debt advice system that would best serve our communities.

10.16 am

Olivia Blake (Sheffield, Hallam) (Lab): It is a pleasure to serve under your chairship, Ms Bardell. I congratulate my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) on securing the debate.

As we have heard, debt has many forms and can affect anyone. However, it is particularly difficult for those on lower incomes, who are unfortunately kept in what could be seen as a debt trap, with higher levels of credit being offered. Whether it is payday loans—as we have discussed in the House many times—or online credit when people buy online, or someone simply taking on a car and a mortgage and their circumstances changing, many things can put someone in debt. While there are many reasons behind it, the impact is the same. People feel extreme stress; as my hon. Friend the Member for Kingston upon Hull West and Hessle outlined, 100,000 people a year try to take their lives as a result of debt. That is a staggering figure and we should be deeply ashamed of it.

Considering where we are now, after the pandemic, provides important context. Since 2012, household debt has risen every year. Although we have seen a sharp decline in so-called unsecured debt through the pandemic, as savings have risen and outgoings have fallen, it is clear that those aggregated figures mask deep inequalities in our society.

While people on higher incomes were four times more likely to see their family savings increase under lockdown, roughly a third of low-income households saw their savings all but depleted. Part of that inequality is explained by the hit to incomes that many people experienced through the pandemic, by either having their salaries reduced through being on furlough or losing their jobs altogether. One of the most shocking economic facts of the lockdown and the covid crisis is that the increase in the average wage was due not to actual wages increasing, but to the number of people on low wages being forced out of work.

The Government are hitting lower-income families even harder with the cut to universal credit and the increase in national insurance, all while inflation continues to soar and we see large increases in energy bills—I expect we will continue to see a sharp rise in demand for support with unmanageable debts. That is why, after engineering all this inequality, the proposal to reduce the amount of face-to-face debt advice makes absolutely no sense.

I do not need to tell Members about the huge increase in complex constituency casework that we have all seen throughout the pandemic. I do not need to even mention the importance of our constituency caseworkers or surgeries in helping our constituents. It is that detailed, face-to-face meticulous support that the new MaPS proposals will axe. As a former councillor, I know that every local authority deals with debt support differently. Some areas do not offer local assistance grants, for example. With 330 different types of local authorities, a national and regional system would struggle to understand what the full offer is in individual areas.

Some might argue that the overall spending envelope on debt advice has increased. I hope the Minister will not reach for that today, because those resources are going to national services that cannot provide the quality of support and follow-through from one-off conversations with someone in a national call centre.

I worry about access. Will the Minister confirm that calls will be free and web pages free to visit? I am concerned about access in terms of disability. As we know, some people who suffer from certain disabilities

[Olivia Blake]

are more likely to have issues with debt. It is really important that people can access services no matter their circumstances, so I want to hear more about how the Minister will support people with disabilities and debt issues. I am also concerned about the move away from grant agreements to commercial contracts with debt advice providers. We have seen that fail repeatedly in other DWP contexts. Large outsourcing companies are very good at gaming key performance indicators, as we all know, but when it comes to providing services, the service users and staff often suffer.

MaPS needs to pause the process and rethink. Instead of handing out redundancy notices just before Christmas to some of the most highly trained staff and reducing regional wraparound face-to-face services, which all our constituents rely on, it should enter into proper consultation with debt advisers and agencies, and make sure that any future contracts are accessible at a local level. Only by including those voices and listening to organisations such as We Are Debt Advisers and trade union groups such as the Unite Debt Advice Network will we find a way forward for these services and ultimately help people in a desperate situation.

10.22 am

Karl Turner (Kingston upon Hull East) (Lab): It is always a pleasure to serve under your chairship, Ms Bardell. I begin by congratulating my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy). Persistence pays off, because my hon. Friend has been incredibly persistent in securing this very important debate. I thank her very much indeed for that.

I want to begin by paying tribute to Unite the union. It is my trade union and I am very proud of its constructive campaign on this issue. I also want to thank Citizens Advice, a crucial organisation that is important to me and my constituents. For many years I hosted a citizens advice bureau clinic from my constituency office. It was incredibly busy. It was probably then that I recognised how crucial the service was. An array of people came to that clinic, but they were not what one might expect—somebody on the bones of their backside. The people varied. Some were in good, well-paid employment, often coming up against it and getting into real difficulty. As my hon. Friend said, it is true what people say that we are only two pay cheques away from such incredible difficulty ourselves.

I am incredibly proud to represent the constituency of Kingston upon Hull East, not least because I was born and bred there, but we have real difficulties in Hull. I think I am right in saying that insolvency in Hull is double the national average. In 2019-20, before the pandemic, I understand that the CAB saw 6,000 people for debt, 89% of them face to face. I did not intend to detain the House for very long, but I just want to make this one plea to the Minister. I pray in aid for his support in this: we need to pause, because we do not know—we cannot possibly know—what the result of the pandemic is in reality.

I think the Minister has the power to say to MaPS, "Let's pause now. Let's not do something that we will potentially regret later on." I ask the Minister to pause the change, because it is obvious from the hon. Members who have spoken today that it is essential to stop it. I am not suggesting it is finished forever; it might be, but after a period of time and proper, decent consultation, we can revisit this idea. For now, I say to the Minister, "You have the power. Use it rightly and pause this now."

10.26 am

Alex Sobel (Leeds North West) (Lab/Co-op): It is a pleasure to serve under your chairship, Ms Bardell. I start by thanking my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) not only for securing this debate, but for becoming a formidable champion for debt and welfare advice services up and down the country.

We are in the middle of a perfect financial storm. Increasing taxes, soaring inflation, the gas price crisis, the end of furlough, the removal of the universal credit uplift—the list goes on. As a nation, our finances are being squeezed more tightly than ever before, and what we have to show for it is an increase in personal debt. At least 7 million adults are currently behind on at least one household bill. The Bank of England has told us to expect a sharp increase in defaults on household and business loans, as well as a coming sharp rise in the cost of energy over the winter.

Perhaps it is unsurprising, then, that the newly-crowned most popular show ever on Netflix revolves around the central theme of crushing personal debt. We should make no mistake: whether through malnourishment, fuel poverty or, most commonly, poor mental health, debt does kill. It killed Jerome Rogers, who died by suicide aged just 20, having accrued debts of only just over £1,000 stemming from two unpaid £65 traffic fines. It disproportionately kills renters, the young, those on zero-hour contracts and people of colour.

But there is help at hand. Some of it comes from our own offices and the hundreds of dedicated caseworkers who work so hard for MPs, dealing with the broadest range of issues imaginable in what can often be a fairly thankless task. We all thank our staff for the work they do. Pre-pandemic research from the CAB found that more than three quarters of MP caseworkers had dealt with issues pertaining to bailiffs, and still more are dealing with a case load characterised more and more by personal debt and the issues it causes.

MPs' offices, however, are not debt advice centres. Our staff do not have the time and, although I am lucky that my senior caseworker is also an experienced debt adviser, most of us are unlikely to have specifically trained staff in our offices. When I heard that MaPS was proposing a rise in funding for debt advice services, initially I thought I would be pleased, especially given that the predicted amount would rise by 60% by the end of the year; but my concern, like that of everybody else here, is that most of the funding is set to go to a handful of national services offering advice over the phone or online.

That change in funding strategy will have the impact of cutting face-to-face debt advice by possibly as much as 50% to 60%. I thank Unite the union for its campaign to support the retention of and possibly an increase in funding—it is defending not only its workers, but people in the most awful circumstances, and going above and beyond the remit of a trade union into broader social campaigning.

In Leeds, the decision will mean that at least three out of the four MaPS-funded services will lose advisers. For the benefit of those familiar with Leeds, that means that the Ebor Gardens Advice Centre is set to lose all its debt advisers, as will St Vincent's Centre, and Better Leeds Communities will also lose half its advisers. To add insult to injury, Leeds City Council was not consulted prior to the recommissioning, and I am sure none of our other local authorities were either.

All those services are based in the constituency of my right hon. Friend the Member for Leeds Central (Hilary Benn), but they cover the whole city—a city with eight constituencies and 800,000 people. The important thing to remember is that those centres are not just there for debt and welfare advice; they are multi-purpose community centres. If someone goes in to see a debt adviser and does not have any food to feed their children, the centre will give them a food parcel. If someone is suffering from crushing mental health problems, they will be taken down the corridor to the counselling service. If someone has had nothing to eat that day, they will be taken downstairs to the café. Sorry—I am getting slightly emotional because I have a lot of experience with these organisations. I am thinking about people I know who have been to them. If someone needs to go to court, a person from the centre will physically go to court with them, hold their hand and support them through the process—an absolutely awful experience for anybody who has to go through it.

Those multi-service community centres cannot be replaced by a screen or a phone. The Minister really needs to think about that. We are not just talking about the fact that people will not have a service that can deal with their debt; they will not get support at all. Many, many people who face debt crises already have suicidal thoughts. We will see a big increase in suicide rates, pressure on A&E and the inundation of hospitals and mental health institutions, just for the sake of saving a fairly small amount of MaPS funding.

Those organisations, and so many like them up and down the country, do vital and essential work. Experienced debt advisers can be the difference between shelter and homelessness, between happiness and despair, for many people. They change and save lives. Once they are gone—once they have left the profession—it is very hard for them to come back. These are not well paid jobs.

Jim Shannon: It is a vocation.

Alex Sobel: Absolutely, it is a vocation—a passion. Debt advisers want to help people. They want to save lives. When they leave the profession, they are very well qualified to work in many other areas, including financial services, where they will be paid much more. Once they're gone, they're gone.

Every community needs specialist debt advisers who are available to those who need them. I am sure that, as MPs, everyone in the Chamber can appreciate that people need face-to-face support for many different reasons. That is one reason why we hold surgeries for our constituents, but we cannot be the last emergency service; we need these specialist services. I therefore ask the Minister today to stop the procurement exercise and retender it with a priority on face-to-face debt advice, as well as online and phone advice, so that we get the services people need and avoid a potential crisis in this country with severe loss of life.

10.32 am

Mr Pat McFadden (Wolverhampton South East) (Lab): Thank you for chairing our proceedings this morning, Ms Bardell. I congratulate and thank my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) for securing the debate, and thank all hon. Members representing different parts of the country for their contributions.

When people fall into serious debt that they cannot manage, it is one of the most stressful experiences in life. Multiple debts can lead to people feeling overwhelmed, being pursued by creditors, having mental health problems, in some cases losing their home, and, in even worse cases, trying to take their own life. I begin by paying tribute to the advisers who are trying to help people in those circumstances: to the citizens advice bureau and other agencies in my city of Wolverhampton, and to all those around the country that we have heard about this morning.

We come to this issue after a year and a half of the pandemic. The pandemic had contrasting effects around the country for people, financially. It was, in many ways, a tale of two Britains. In one Britain, people were able to work from home, were paid at or near their full salary, and yet saw their expenditure reduce—they were no longer spending on holidays, restaurants or other forms of entertainment—and were able to save money. That is the key factor behind the rise in bank deposits that we saw during the pandemic—something that happened not just in this country, but in most comparable countries. That is the story of one Britain.

However, the other Britain that we have been hearing about this morning is a very different story. Here, families on low incomes saw their expenses increase. They were at home with the heating on all day. They had children who were off school, who needed to be fed more at home than was usually the case. Those families could not afford holidays or eating out in the first place, so they were not saving anything through the absence of those options, yet they had extra expenditure pressures and, of course, some people fell through the gaps in the various Government support schemes, be that furlough, self-employed grants or other support. For those families, the pandemic was really tough financially, and it added hugely to the pressures they were already under.

That took place over the past 18 months, but right now, looking forward, we have rising inflation, rising energy bills and a series of tax rises that will come into force in April next year. The charity StepChange estimates that 14 million people faced a fall in their incomes at the start of the pandemic, and most of those did not experience a quick recovery. It estimates that 4.3 million people are behind on bills such as council tax, rent or utilities. One in three of those who are in difficulty have had to resort to measures such as skipping meals or rationing the use of utilities, and one in four of those who accessed payment holidays during the pandemic have subsequently missed a payment. It is against that background that the Money and Pensions Service is changing how debt advice will be delivered.

As we have heard, debt advice is crucially important, because it can make the difference between someone being overwhelmed by their debts and their finding a way to control them and, hopefully, pay them off over time. Good advice on that front can make the difference between a person being evicted and their keeping their

[Mr Pat McFadden]

home, and in some cases, as we have heard, it can actually save lives. I acknowledge the work that the Government have done to institute a breathing space that gives people protection from enforcement action for a specific period during which a manageable repayment plan is organised; but access to that breathing space is itself dependent on accessing proper debt advice. The Government have put more money into debt advice since the start of the pandemic, acknowledging the rise in need that is reflected in the figures that have been quoted over and over again in this debate. However, the balance of how that money is spent is changing markedly, from face-to-face advice to online and telephone advice. That is the crux of what we have been talking about this morning.

Of course, it might be that online and telephone advice is suitable for some people, and can help them with their problems. We all understand that the world is changing, and that we should make use of technology in delivering public services—nobody is arguing for the world to stand still. However, online advice will not be suitable for everyone, particularly those with the most complex debt needs, and the fear being expressed this morning is that if the right balance is not struck, people could lose out on the face-to-face advice that they need, with some very damaging consequences for them. Right now, it is feared that the number of face-to-face advisers could be cut by around two thirds under the plans that have been put forward.

Let me quickly give the Minister some examples of where that face-to-face advice is particularly valuable. I am grateful to the debt advisers who took part in a call with me yesterday in preparation for this debate. The first point is literacy: a significant proportion of the people with the most complex debt needs may also have literacy problems. They do not always find it easy to navigate online forums or to realise immediately the key parts of a letter that they might have received, and as we have heard this morning, some people cannot even face opening correspondence because they know the direction in which their situation is heading. It is not always easy for people to admit that they have a literacy problem, but this is an area in which a face-to-face adviser can provide invaluable help.

The second point is privacy. In some cases, domestic violence or fear of a partner can be an important factor. We have heard about financial intimidation within households: people in those circumstances do not want a phone call to be overheard, or their partner seeing which website they are on or who they might be talking to online. Again, face-to-face contact can provide that level of privacy. Thirdly, representation to courts can be crucial, such as in threatened eviction cases. That is often based on local knowledge of key local authority or court officials. It is very unlikely that a call to a call centre or the use of an online service will replicate that kind of targeted local intervention, and those interventions can make a big difference. As such, my plea to the Minister is this: if debt advice is to be reformed, let us ensure that those who need face-to-face advice can still get it.

One feature of debt advice is that people sometimes do not seek it until very late in the day—maybe just a day or two before they face drastic action from a creditor. A face-to-face adviser can know the urgency and make a lot of calls very quickly. We should ask ourselves whether an online service will really deal with urgent situations like that. There is also a problem with which we MPs are all familiar—the need to read between the lines. A person might come to see us with one problem, but as they talk, more and more comes out. We have all had cases like that, and often the initial thing that they raise is not really the biggest thing that has gone wrong in their life. That is something that we all recognise from our advice surgeries, and it is far easier to spot in a face-to-face meeting than through another channel.

The other factor here is that it is hard for the organisations involved to speak up, because they are bidding for money from the contracts and are worried that if they speak up too loudly, they might get on the wrong side of the Money and Pensions Service, the Department for Work and Pensions, the Treasury or somebody who is involved in making the decision. However, these issues have been raised with us, and they deserve serious consideration by Ministers.

Nobody wants the world to stand still. We all understand that the way that services are delivered is changing. As I say, that might suit many people, but my plea to the Minister is not to design a service that cuts off the possibility of face-to-face advice for people who need it. If that happens, the problem is that we will not know about the evictions that could have been prevented. We will not know about the problems that might have been headed off, if only advisers had been able to see people and talk to them. We will not know about the mental health problems that go undiagnosed or untreated. We will not know about the person with literacy problems who did not get the help that might have made a difference to them, because many of the people with the most complex needs might not access the advice at all.

I acknowledge that, overall, the Government have put extra money into this field during the pandemic and the last couple of years, but the money going into face-to-face advice specifically is being reduced. I appeal to the Minister, his colleagues and MaPS to structure the contracts in a way that ensures that face-to-face advice is there for those who need it and that the local knowledge in these services, which is so important, is not lost.

10.43 am

The Economic Secretary to the Treasury (John Glen): Thank you for the opportunity to respond, Ms Bardell. It is a pleasure to serve under your chairmanship and to speak in the debate on behalf of the Government.

I have listened intently and carefully to all seven Back-Bench speeches, which have revealed considerable understanding of the complexity of the service delivery in constituencies across this country. There has also been significant commentary around the context in which our constituents find themselves at this incredibly difficult time. I will endeavour to answer the specific concerns raised about the recommissioning exercise by the Money and Pensions Service in a few moments. I congratulate the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) on the constructive tone and content of her speech, and on securing the debate.

I will begin with a deliberately unambiguous statement: the Government are committed to supporting the financial wellbeing of the most vulnerable in society, and to

tackling problem debt. As reflected in the contributions to the debate, hon. Members will be well aware of the scale and breadth of the package that we put in place to protect jobs and livelihoods during the pandemic. It was one of the most comprehensive support packages in the world, but I recognise that it was never going to be comprehensive for every single need.

We recognise that individuals in problem debt require extra support to get their finances back on track, especially during this challenging and, to a degree, uncertain time. For that reason, we agreed to provide additional funding to the Money and Pensions Service for debt advice provision in England in 2020-21 and this financial year, on top of our wider coronavirus support package.

Several speeches referred to the difficulties in predicting demand and its distribution; indeed, MaPS acknowledged that, in terms of what it ended up needing for the 2020-21 financial year. That will always be a judgment call that it has to make very carefully, but the additional funding enabled the recruitment of more than 500 new debt advisers to provide additional debt advice capacity to meet the anticipated demand arising from the pandemic. Part of that additional funding was also allocated to providers to cover lost income from a key voluntary funding stream known as "fair share".

I will say a little more about debt advice in a moment, but first I will highlight some of the things that the Government have done to help people in financial difficulty, because some speeches referred to that wider context. In May 2021, as I think the right hon. Member for Wolverhampton South East (Mr McFadden) acknowledged, we launched the breathing space scheme, with cross-party support, where lenders agree to hold off with their fees and payment requests for 60 days. We have championed that scheme for many years and I am proud to see it up and running.

We will use similar principles of providing respite from bills and demands in the introduction of a statutory debt repayment plan, which is currently under development. Under that new plan, which will essentially give another mechanism for people to use when they are struggling with debt, people will enter formal agreements with creditors to repay their debts over a more manageable timeframe. We are obviously working very carefully with the sector to get that absolutely right.

As well as helping individuals to tackle problem debt, we are ensuring that they have access to fair and affordable credit. In the Budget, we introduced plans to provide £3.8 million for a pilot no-interest loans scheme, which Fair4All Finance is working with partners to design and deliver. It is my ambition, and that of the Government, that those loans will support people who are unable to access or afford existing forms of credit, and prevent them from falling into problem debt. During the debate, the uptick in buy now, pay later was mentioned. As I think we discussed in this Chamber last Tuesday afternoon, that is a priority for us as well, and I was grateful for the contributions from Members who were present.

The Treasury is working closely with the regulators and other Government Departments to help and protect people in financial difficulty. The Financial Conduct Authority regulates debt advisers, and recently published its consultation on debt packager firms. We believe that the FCA's proposals will put a stop to bad practices in the sector and help to prevent consumer harm. We are also engaging closely with the Insolvency Service, which this summer raised the monetary eligibility limits for debt relief orders. Those changes will enable more people in financial difficulties to access a DRO and get a fresh start.

Let me turn to the specifics of MaPS' debt advice commissioning exercise, which has occupied the lion's share of time this morning. That exercise is an important step towards creating a better and more resilient debt advice sector. At the core of the contributions was a concern around the redistribution of face-to-face and online and other modes of delivery, and the outcome of the commissioning process. MaPS' current commissioning model dates back many years, and some of its current grant agreements even predate its predecessor body, the Money Advice Service.

I listened carefully to the contributions on the complexity of the needs of individual constituents, and I respect the experience of the hon. Members for Kingston upon Hull East (Karl Turner) and for Makerfield (Yvonne Fovargue), who have personal professional expertise in this area. It is important that we aim to achieve an outcome from the commissioning exercise that gives MaPS a better opportunity to manage performance and drive improvement, innovation and efficiency—improving the service that customers are offered and offering greater value for money, but not failing to recognise the complexity of the needs of those populations. That is in line with the Government's wider approach on the funding that they give to charities, 80% of which is now on a contract basis.

The hon. Member for Kingston upon Hull West and Hessle spoke of a number of concerns raised by the debt adviser community, individually, in representations to constituents and collectively through this process. A transition, such as the one proposed by MaPS, will require some changes and for the sector to adapt to them. The question is about the pace and scale of those changes, which is the discussion that MaPS needs to resolve in the coming weeks. I am unable to comment on the specifics of the commissioning exercise. I do not run that, nor do my officials. There is a degree of commercial sensitivity around it.

This morning's debate has put some detail on the nature of the concerns. I commit to ensuring that those concerns are represented fully to the leadership of MaPS as it undertakes this evaluation and moderation of the bids received. Once that is completed, MaPS will have a greater understanding of what the changes will mean to debt advice provision in England, including the proportion that will be delivered face to face. I can say that the Government have given MaPS a statutory duty to consider the needs of the most vulnerable.

Colleagues have raised issues of the unmet, or even undiagnosed, needs that come out of conversations, as well as case complexity and the concerns raised by the right hon. Member for Wolverhampton South East about literacy and privacy. All funded services must be able to handle those complex cases, and MaPS needs to demonstrate that the commissioning exercise will achieve that, irrespective of the channel the cases come through.

Yvonne Fovargue: Although we are discussing the MaPS contract, we have also heard a lot about clients' mental health problems. Has the Minister had any discussions with other agencies—for example, clinical commissioning groups in the area of health—about commissioning services, such as Financial Shield, which help those in debt and with other problems? That will save the health service money as well.

John Glen: I have not personally, but I am happy to look into that. We have to look holistically at the range of new providers and what insights we can gain to improve the services offered. MaPS has factored the concern about sensitivity to the mode of delivery and the complexity of customers' needs into its commissioning process by requiring bidders to engage in effective promotion and outreach to customers who will most benefit from the service.

Emma Hardy: One thing I am keen for MaPS to look at is the move towards three regional models. I made the point in my speech that smaller providers simply cannot bid for those large contracts. It appears it is by choice, although it is not—they cannot continue to access the contracts because they are too small. The move is from nine to three.

John Glen: I am grateful to the hon. Lady for that point. The significant concern that the outcome of the commissioning exercise will leave a smaller number of providers that are somewhat detached from local communities and specific needs must be addressed through the process. It would be undesirable for that detachment to lead to a lack of confidence in the new configuration, and MaPS will need to address that directly in how it responds.

When the outcome is secure, it is important that customers' needs are diagnosed, that they have tailored support, and that providers collaborate to ensure that customers can be referred in a seamless manner when they can be better served by another service within the provision available. I recognise the point that that is not always possible if there is a level of comfort in a specific physical location. How that will be transferred efficiently needs to be looked at. MaPS has not dictated the channel through which advice needs to be provided, although it has required local provision in its regional lots. That is to allow bidders to innovate and compose a service that is aligned to MaPS' requirements but is also informed by that intimate local knowledge, skills and experience.

A few people mentioned potential adviser redundancies. I will not be able to say anything more until bids are evaluated, and I think colleagues will understand that. However, we strongly encourage MaPS to take all reasonable steps to support the process and use its role as a market steward. That means supporting, where possible, any transfer of undertaking activities that the organisations involved may need to carry out to ensure continuity of employment for debt advisers.

Karl Turner: I thank the Minister for his incredibly constructive approach to the debate—we have all seen that. I do not expect an answer, but would he please, at least, consider asking MaPS to pause the process? We are all worried that we do not know the effects of the pandemic.

John Glen: I will come on to that in my final remarks. I want to give the hon. Member for Kingston upon Hull West and Hessle a few minutes to speak, but I have a few more paragraphs, if I may.

Where transfer of undertakings regulation does not apply, MaPS must ensure that successful bidders are aware of, and connected with, any skilled advisers and project staff who might be made redundant so they can be considered for new roles. The Government acknowledge that wherever services are subject to commissioning, there may be elements of uncertainty and change for the sector, as is the case with any new policy. The Treasury and the Department for Work and Pensions will ensure that the outcome of the MaPS evaluation and moderation exercise achieves value for money and meets the needs of vulnerable customers, in line with statutory requirements.

On the point made by the hon. Member for Kingston upon Hull East about a pause, I will reflect carefully on that and talk to my officials. There has been a delay in the decision about what would come forward, last Friday. Clearly, this is an incredibly complex and delicate matter. We want to ensure that the new provision meets changes in consumer demand from a commissioning exercise that had not taken place yet under these conditions, but it must also take account of the fact that our experience of the last 18 months is distinct from anything experienced before. That does not mean that we will say that there will be no change, but it means that the change has to be carefully calibrated and justified on the basis of the very real concerns that have been raised. I thank hon. Members from across the Chamber for their insights, which will inform the way I take the matter forward.

10.57 am

Emma Hardy: I am incredibly grateful for those final comments from the Minister. We all accept that we could not have expected a pandemic and we do not know what will happen in the next year. As my good friend, my hon. Friend the Member for Kingston upon Hull East (Karl Turner), said, let us have a pause in the process, look again and see what happens to the economy in the next 12 months. Let us see what happens if there is another variant and, my goodness, let us hope that there will not be another lockdown. We do not know what will happen, so I would like to push for a pause in the re-evaluation.

I thank everybody who has spoken today for their expertise, passion, emotion and understanding. The biggest message that has come through is that nothing can compensate for having a real person there. A screen cannot give someone a hug or make them a cup of tea. A person on the end of the phone cannot pass them a tissue when they are crying or offer to entertain their children while going through their debt payments. That compassion from one human to another cannot be replaced in a virtual way, and that is what we are talking about. The majority of people in the country are two pay cheques away from poverty. We cannot typecast the people who need this support. We can only say, "Let's hope it will never be any of us", but if it were one of us, I would want somebody there to hold my hand, make me a brew and tell me that they will help me get through it, and that is why face-to-face matters.

Question put and agreed to.

Resolved,

That this House has considered reductions in community debt advice services.

Space Sector: Leicester Space Park

11 am

Hannah Bardell (in the Chair): Before we begin, I remind Members that they are expected to wear face coverings during the debate when not speaking, in line with current Government and House of Commons Commission guidelines, and that they are asked by the House to take a covid lateral flow test twice a week if coming on to the parliamentary estate. This can be done at the testing centre in the House or at home. Please also give each other and members of staff space when seated and when entering and leaving the room. There will be no opportunity for the mover of the motion to wind up the debate, as is the convention for a 30-minute debate.

11.1 am

Liz Kendall (Leicester West) (Lab): I beg to move,

That this House has considered Leicester Space Park and the wider space sector.

It is a privilege to serve under your chairmanship, Ms Bardell. I am delighted to have secured this important debate on a subject close to my heart, as there is huge potential for space science and technology to create the high-skill, high-quality jobs of the future, boost economic growth, tackle climate change and help keep our country safe. When most people think about space, they think about rockets and astronauts, but the space sector does far more than that. The satellites orbiting the earth and the data they provide keep us connected to family and friends; direct us around villages, towns and cities, underpinning all the apps now associated with GPS; underpin much of our country's defence and security systems; help us see what is really happening to our environment, monitoring deforestation and changes in our oceans and air pollution; and support farmers to manage their crops. I believe the space sector will revolutionise many more aspects of our lives in the future.

The Minister will know that the global space economy is set to grow from £270 billion to £490 billion by 2030. The UK space sector is already worth more than £16 billion a year and employs more than 45,000 scientists, engineers, designers and manufacturers. Leicester is at the forefront of the space sector in this country and is extremely well poised to lead future development nationally and internationally. The University of Leicester is globally recognised for its space research and has contributed to international space missions for six decades. It has led major discoveries, including the observation of the first ever stellar black hole, and at least one Leicester-built instrument has been operating in space every single year from 1967 to the present day. My constituency is also home to the National Space Centre, which attracts hundreds of thousands of tourists to the city each year and, through its National Space Academy, provides brilliant education to primary, secondary and post-16 students in science, technology, engineering and maths, helping to inspire the scientists and engineers of the future.

Space Park Leicester builds on that proud tradition, bringing together our world-leading university research with industry in state-of-the-art, high-tech facilities. Its aim is to create 2,500 high-skill, high-paid jobs and generate £750 million for the east midlands economy, making a significant contribution to the high-productivity economic growth that is essential outside London and the south-east if we are ever going to level up. There are three stages to the space park's development. Stage 1, which was completed in the summer, brought together academics from the university with world-leading centres of research, such as the National Centre for Earth Observation, and global multinationals, such as Airbus, Rolls Royce, Thales Alenia Space and AST SpaceMobile. Stage 2—I visited last week—has built state-of-the-art robot and AI-assisted laboratory facilities to research, develop and design low-cost satellite production. Stage 3 will see the manufacturing and production of those low-cost satellites.

Currently, satellites are extremely expensive and take a long time to build. Manufacturing satellites more quickly and at a lower cost is absolutely critical to the future of space science and the space sector, and predicted to increase sixfold over the next decade. My message to the Minister is that Space Park Leicester is very well placed to lead growth in the UK, and across the world, in low-cost satellite production, if we act quickly enough.

The space park is part of a much wider development and regeneration of my constituency. Leicester City Council has led the development of Pioneer Park, next to the space park, which is a hub for high-tech, knowledge-based businesses, which will enable start-ups to develop and turn into viable companies. It includes companies such as EarthSense, which provides air quality monitoring services to local authorities and public health organisations around the world.

The company was spun out of the university's research, started trading in 2016 and now employs 30 people; it has just taken an entire floor of the new space park, in the expectation that it will grow even further in future. I know hon. Members and people watching are really concerned about the quality of their air, and there are much wider applications for these services in the future. I welcome the £20 million that the council has secured from the Government's levelling-up fund to expand Pioneer Park and help us to attract even more high-tech businesses to the city.

Underpinning all those developments, and a passion of mine from the start, is a serious commitment to ensuring that children and young people from Leicester and the wider east midlands have the skills they need to benefit from the jobs the space park is creating. That is absolutely critical to people in Leicester West, too many of whom struggle in insecure, low-skilled, low-paid work.

Ensuring the space sector and the workforce become more inclusive and representative of the communities they serve is vital too. Women, black and minority ethnic groups and those from disadvantaged backgrounds are seriously under-represented in science, technology, engineering and manufacturing. That is why I was thrilled to see Dr Suzie Imber running some brilliant sessions with children from two primary schools in Leicester West, Inglehurst and Queensmead Academy, when I visited the space park on Friday. Suzie is the associate professor in space physics at Leicester University. She was also the winner of the 2017 BBC2 series, "Astronauts, Do You Have What It Takes?" She definitely has what it takes to inspire children to take an interest in physics and science. They were hooked on her every

[Liz Kendall]

word. They loved all the experiments, especially launching their home rockets. I am not going to lie—I had a brilliant time too.

There is even more that we can and must do to deliver the potential of Space Park Leicester and the wider space sector as a whole. Most importantly, we need a long-term commitment from the Government to support and invest in Space Park Leicester. As the Minister will know, we have already made great strides, but it takes time to conduct research, develop ideas, nurture them and turn them into viable and thriving businesses.

I am sure the Minister will agree that much of what we are doing in Leicester aligns with the four key objectives of the Government's national space strategy, which was published earlier this year. Unlocking growth in the space sector is what we are doing. Growing the UK as a science and technology superpower—we are making a huge contribution there. We are collaborating internationally and developing resilient space capability and services.

I hope the Minister will tell me how the Government will support Space Park Leicester in its future ambitions, especially the development of low-cost satellite manufacturing, an area where I believe the UK can be a global leader if we act swiftly and decisively enough. Can he also tell me how the Government will support Leicester to develop the skills and training that are central to the national space strategy, including higher level vocational qualifications? Ultimately, our people are our best asset. Making sure that people from all backgrounds have the skills they need to secure and create the jobs of the future is integral to boosting economic growth. The east midlands needs support in this area if we are to be part of helping our country grow into the future.

Finally, I invite the Minister to visit Leicester and see, at first hand, the difference that Space Park Leicester is already making, and its potential to lead change in future. It is a positive, aspirational, inspirational programme, and so I urge the Minister to agree.

Hannah Bardell (in the Chair): Very briefly, I call Jamie Stone.

11.10 am

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Thank you, Ms Bardell. It is a pleasure, as ever, to serve under your chairmanship. I warmly congratulate the hon. Member for Leicester West (Liz Kendall) on a hugely enthusiastic speech on an issue that she obviously cares deeply about.

I do not need to tell you, Ms Bardell, as a Scot, what a dark cloud—the highland clearances—hangs over the history of Scotland. One thing we in the highlands have always feared is that our young people would continue to leave and go to live elsewhere. It has been one of the tragedies of life in the highlands. On occasion, an Opposition Member ought to have a pop at the Government, but on this occasion, I will not do so, because the news that Sutherland was being considered for one of the UK's first vertical space take-off sites was greeted with huge enthusiasm locally. It meant that there was hope that young people could stay nearby and see something encouraging for the future. We have the roads, we have the rail, we have the airport at Wick and we have the skills at Dounreay.

It is a curious fact that this issue unites me and the leader of the Scottish Conservative party. One might say that that was an unlikely combination, but the hon. Member for Moray (Douglas Ross) has the manufacturing company Orbex in his constituency, and it is as committed to the Sutherland take-off site as the local people are.

I will pay tribute to two people and one organisation—Highlands and Islands Enterprise—as well as to the Highland Council. The Highland Council planning committee decided unanimously to approve the application for the space site in Sutherland, and that is unusual, to say the least. Highlands and Islands Enterprise has also gone out of its way to support the project. I will name-check Mr Roy Kirk, who has done tremendous work in bringing this forward, and a splendid person called Dorothy Pritchard, who is the chairman of Melness Crofters' Estate. She has been a doughty fighter in taking us to where we are. Two challenges were mounted in court to stop the project, but they have both been defeated.

I will conclude with an offer that I made some weeks ago in the Chamber to the Prime Minister, to whom I also give credit for his support. It was no empty offer; I have checked with the people of Melness Crofters' Estate, and they have said they will indeed offer the Prime Minister a delicious highland tea, including home-made scones, at the first take-off. I now fondly offer the same invitation to the Minister, who will be very welcome in my constituency come that happy day. I have also promised a rather large number of drams of good whisky from the highlands, but I will not go over that again.

11.13 am

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (George Freeman): It is a great pleasure to serve under your chairmanship, Ms Bardell, and to join two very esteemed colleagues from the other side of the House and support the eloquent advocacy of the hon. Member for Leicester West (Liz Kendall) for this key sector.

It is my great pleasure to be back in Government, now as Minister for Science, Research and Innovation at the Department for Business, Energy and Industrial Strategy. It is my mission to deliver the Prime Minister's vision of the UK as a science superpower and, crucially, as an innovation nation—both themes that go to the heart of Members' contributions.

To frame that mission, it is worth making clear that we are already a global powerhouse in science. What does "superpower" mean? I am defining it as the UK using our science for global good, to help to prevent the melting of the ice caps and understand the oceans, space and the new frontiers; being a global science nation, open to people from all around the world to come to do science, which is fundamentally collaborative; and ensuring that we attract more global research and development into the UK. It is great that we are going from £15 billion a year to £20 billion, and on to £22 billion on the journey to 2.4%. To get there, we will have to attract hundreds of billions of pounds over the next 10 or 20 years. I relish that prospect, and I think we can do it, because supply chains are global.

Fourthly, we must use our leadership in science to support the values of this country's liberal democracy, and to make sure that cyber, artificial intelligence, space

and all those other sectors are not dominated by one or two forces who may not be our best friends, but that we build clubs—commonwealths, one might say—of international collaborators who share our values. The innovation nation piece is about making sure that everyone in this country can benefit, as the hon. Members for Leicester West and for Caithness, Sutherland and Easter Ross (Jamie Stone) have already said. To be an innovation nation—this is a passion of mine—we have to move from being a service economy that is really good at science in some silos and does a bit of innovation to being a nation in which every person can feel, see, touch and experience the excitement of science, as well as the opportunities it presents for careers in innovation. I have said this in every speech, but let me say it again. That includes the windy outreaches of Scotland, Northern Ireland, Wales and, dare I say it, Norfolk, as well as coastal towns, left-behind towns and places that may not necessarily feel that they are at the heart of the Cambridge cluster. The good news is that the pace of technology and innovation means that we can create clusters all around the country, and that is my mission in this role.

I congratulate my good friend the hon. Member for Leicester West on securing this debate and raising this issue, as well as her tireless advocacy for the Leicester cluster. Leicester is indeed a vital location in the UK space ecosystem, and I pay tribute to the University of Leicester for its leadership and for being the home of the National Space Centre, which would not be there if it were not for the university's leadership. That university has been hugely helpful in building the space engineering apprenticeship trailblazer group. As the hon. Lady has eloquently said, not only is the National Space Centre in Leicester drawing people into science and driving a new generation to take an interest in the potential of space to create jobs and opportunities, but it is key to levelling up and creating opportunities in that cluster.

The hon. Lady has described her local cluster eloquently and powerfully, so let me explain the national cluster that we are on the road to developing. As she has said, part of my mission is to make sure that people see the space economy as more than just some American billionaires going into space in rockets. This is about highlighting that space technology is fundamental to our everyday lives. It is key to our telephones, our weather forecasting, most of our banking and our digital transactions, and, crucially, understanding earth observation data, climate change and net zero. It is fundamental to the sustainability of our economy, our society and our planet. It is key to stress that, so that people understand that this is not a vanity project for one or two countries, but is fundamental to a modern, dynamic economy. The truth is that space innovations are already being realised in sectors ranging from autonomous vehicles to wearable technology and health and life science. When I met Tim Peake, he was conducting 32 experiments in space, including experiments on bone density and eye and retinal damage, both of which repair when astronauts come back, giving us a real insight into those diseases and how we might prevent them.

Space technology is so much more than the rockets and the big launches that a generation of us grew up watching on our televisions; it is integrated into the economy. However, that is not to say that those two things are not linked. Part of our strategy is to be the first European country to do domestic launch. After all, we are the Department for industrial strategy, and in order for our downstream skills to grow and for us to support and attract investment, we need to have an ecosystem.

Jamie Stone: Further to the Minister's point about being the first country to achieve launch in Europe, I am sure he would agree that there is a great prize to be won here in terms of the British economy and what we can sell to the world.

George Freeman: The hon. Member makes an excellent point, with which I completely agree. As he will know, we are very ambitious to make sure that we use that first launch into polar orbit from both Scotland and Cornwall. We are in a magnificent position globally to lead in that sector, and by launching, we also build the ecosystem for serving satellites, supply, and all those supporting industries that the UK is phenomenally good at. We are also using satellite technology to support a whole range of innovations across the economy. The NHS will shortly be starting to pilot drones for medicines delivery, particularly into remote areas, and the Rosalind Franklin rover that has been built in the UK will blast off and land on the surface of Mars, so we are a genuine space economy powerhouse.

The Government profoundly recognise the importance of the space economy. It was my great privilege, on day three as Minister, to launch the UK space strategy. I felt a little bit guilty because it was the culmination—the summit—of years of hard work that I was simply lucky enough to be able to read out, but it has landed internationally and sent a strong signal.

For the first time, the space strategy integrates the defence and civil sectors. I have already met my counterpart at the Ministry of Defence to map out where the MOD is investing. It was allocated significant space funding in the latest comprehensive spending review, some of which was, quite rightly, driven by primary security issues, but some of it can be used to support the wider ecosystem. In the middle of the Venn diagram, there is an area where the Department for Business, Energy and Industrial Strategy and MOD are working together, and then some of the strategy delivery lies principally with BEIS, as the industrial strategy Department. This is an exciting time, and we are now turning the space strategy into a space plan, which will set out where we are going to invest and in what in the next few years.

The space sector already employs 45,000 people in the UK, over 75% of whom hold at least a first degree, so this is a very highly skilled sector, which is key to the Prime Minister's vision of creating a high-skill economy and moving away from being overly dependent on low-wage service labour.

Space employees deliver 2.6 times the UK average in terms of productivity, so for the Treasury this is a sector that is at the vanguard of driving UK economic growth. That is why we are completely committed to supporting it and to supporting a diverse workforce, as the hon. Member for Leicester West rightly highlighted. We are using the benchmarks created by the 2020 space census to measure that progress.

The sector already directly contributes more than £6.5 billion to UK GDP and underpins a further £360 billion in the wider economy, so this is not a small

[George Freeman]

sector. It is already a substantial sector, in which we see substantial growth opportunity. That is why we have set out the level of leadership and governance that we have done. We have established a new National Space Council, led by the Prime Minister, to co-ordinate space policy. We have also created the National Science and Technology Council—the science Cabinet Committee on which I sit with the Secretary of State—which is designed specifically to lead a cross-Government integrated approach to key technologies and sectors, such as space, so that we integrate defence, civil, the industrial strategy and the global security issues around cybersecurity and data security. We are putting in place the mechanism of government to ensure that this is a cross-Government plan.

On 27 September, as the hon. Members for Leicester West and for Caithness, Sutherland and Easter Ross both highlighted, I announced the space strategy. Its ambition is very clear—to make the UK one of the most attractive and innovative space economies in the world. We are in a competitive environment. Russia, China and India all have substantial sovereign programmes, but there are a number of nations—Japan, Spain, Australia, Canada, France, Italy and others—who are looking to be part of a global space technology economy, and who clearly see the UK as fundamental to that. We want to build a domestic space and satellite cluster on that opportunity.

We launched the national space innovation programme pilot in 2020. That was the UK's first ever dedicated fund for advancing space technology, innovation, products and services, and we have just announced follow-up funding of £7 million to help fund 11 projects in the scheme. We will be setting out the next phase in our forthcoming science space plan.

We have set out our ambition to be the first country to launch small satellites from Europe, and we have kick-started that work with grants worth £40 million to support the work required to deliver that ambition. As the hon. Member for Caithness, Sutherland and Easter Ross made clear, we are on track for the first launch from the UK next year, whether it is in quarter 3 or quarter 4. We see a huge opportunity, particularly for Scotland and Cornwall, to be at the heart of that launch economy and to drive that supply chain.

As the hon. Members for Leicester West and for Caithness, Sutherland and Easter Ross have highlighted, this sector, properly harnessed, is key to supporting the sustainable jobs and opportunities for the regions of this country—not all of this is in the golden triangle—and that is partly why we are so supportive of the sector's potential. The sector also underpins modern public services.

Turning to the points that the hon. Member for Leicester West made earlier, Space Park Leicester is absolutely integral. It is an excellent example of a locally led regional technology hub and I encourage other regions to look at it. Space Park Leicester's plans align hugely with our own ambition to promote sector growth and I am delighted that the first two phases of Space Park Leicester are complete, having been delivered through a partnership between the university and the local enterprise partnership, through the growth deal and Research England.

Both hon. Members made some really important points that I want to refer to. The hon. Member for Leicester West spoke about skills and inclusive growth. As the former co-chair of the all-party parliamentary group on inclusive growth—I have had to stand down—I know that she is absolutely right that if we are going to create an economy in which a new generation can see new opportunities, we need new sectors that will create opportunities in new places.

The high-level vocational qualification piece is key. I have already met the Minister for Further and Higher Education, my right hon. Friend the Member for Chippenham (Michelle Donelan), and the Secretary of State for Education to highlight that skills are one of the key barriers to cluster growth but also one of the key opportunities for the Government. We will pursue that agenda and look to address that career path.

The hon. Member for Leicester West made an important point about the power of the space economy to attract a new generation of girls and boys into science, technology, engineering and mathematics. For many people, the excitement of space is a gateway to discovering the opportunities in the broader science and innovation economy.

A key focus of my mission at BEIS is on clusters. I am pushing the Department, Innovate UK and UK Research and Innovation hard to think about regions—not simply to allocate funding on the basis that a bit of it goes to each of the Government regions, but to think about the clusters that will really drive growth and investment. I encourage the hon. Member for Leicester West to continue to make the case, as she has done powerfully today, that Leicester is at the heart of a cluster, and to follow up with me on that. I think she is right about Leicester in that regard, and I will talk to Innovate UK and UKRI about how we support such clusters over the next few years. That will be about infrastructure, connectivity, skills, data and planning. I would be delighted to come and visit Leicester.

The hon. Member for Caithness, Sutherland and Easter Ross highlighted similar points, and I pay tribute to his passion and commitment to using this area to promote opportunity for a new generation. The highland clearances were a long time ago, but the fact that they are still a sore point speaks volumes, and we need to do more to create opportunities, as he has highlighted. As he said, my hon. Friend the Member for Moray (Douglas Ross) is hugely supportive of creating such opportunities, and it is nice to see a flourishing of cross-party working for the good of Scotland. The Orbex opportunity is huge, and I join the hon. Member in paying tribute to local leaders, because for national strategies to work we need local leaders to deliver.

Space is a huge opportunity, and—from Goonhilly in Cornwall to satellite manufacturing hubs in Surrey and Glasgow, the Leicester cluster and up in Scotland—we have the opportunity in the next few years to do something really significant for the UK economy, for global science innovation and, just as crucially, for a new generation of people in left-behind areas, who need to see that they have an opportunity in the economy of tomorrow.

Question put and agreed to.

11.27 am

Sitting suspended.

Natural History GCSE

[Geraint Davies *in the Chair*]

2.30 pm

Geraint Davies (in the Chair): Before we begin, I remind hon. Members that they are expected to wear face coverings when not speaking in the debate, in line with current Government guidance and that of the House of Commons Commission. I also remind Members that they are asked by the House to take a covid lateral flow test twice a week if they are coming on to the parliamentary estate. This can be done either at the testing centre in the House or at home. Please also give each other and members of staff space when seated and when entering and leaving the room.

Caroline Ansell (Eastbourne) (Con): I beg to move,

That this House has considered the matter of introducing a Natural History GCSE.

It is a pleasure to serve under your chairmanship, Mr Davies. Young people today are caught up in an unhappy paradox. While their concern for the natural world is greater than ever before, their access to nature, to discover its magic and to marvel at its wonder, is much reduced. Earlier this year, a study by Bath University found that almost three quarters of young people in the UK are worried about the future of our planet. The findings from that landmark study highlighted the depth of anxiety felt by young people as a result of climate change and must inspire in us all—politicians, parents and teachers—an imperative to respond.

For me, like many colleagues, those findings reinforced what my parliamentary inbox tells me every week. I receive emails and letters from schoolchildren and young activists concerned about the future of our planet—from climate change and plastic pollution to deforestation and species decline. On Monday this week, I visited Parkland School in Hampden Park, and the very first question put to me by the school council was: what are we doing to address climate change? In fact, this year, messages and petitions from Eastbourne's young people reached as far as Glasgow and COP26. Their words calling for action were inscribed on templates shaped as birds in flight. I have made it my mission to see those birds next land at No. 10 with the Prime Minister.

However, despite this heightened concern for the environment, many young people have grown up in the absence of nature, estranged from large parts of our precious natural inheritance. There are myriad reasons for this, but a fundamental truth still stands: we are born with an innate yearning for nature—what ecologist Edward Wilson dubbed biophilia. Consider the fascination of a toddler eyeing up a frog or the euphoria of children crunching through autumn leaves and splashing in puddles.

Mrs Flick Drummond (Meon Valley) (Con): My hon. Friend makes a good point. Is that not why so many forest schools are starting to crop up all over the countryside?

Caroline Ansell: I thank my hon. Friend for that most timely intervention. The forest school movement is to be greatly encouraged. It has inspired a raft of initiatives across the country, including in my constituency. It brings children into that natural environment, where learning is almost by osmosis; it is so natural and incidental. In that environment, children develop a great love of nature, which is so necessary to inspire that desire for further understanding and to learn about respect and protection.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady on bringing the debate to the House. Forest schools were featured on "Countryfile" on Sunday past, which was incredibly encouraging. My constituency has something like that: Castle Gardens Primary School. When the Minister of State for Northern Ireland came over—he replaced this Minister in that role—we visited Castle Gardens to see what it was doing. Does the hon. Lady agree that there is a place for children understanding the world around them? For many, that will provide their future employment and livelihood, which is important. Does she further agree that we should work closely with Department for Environment, Food and Rural Affairs here and the Department of Agriculture, Environment and Rural Affairs back home to align environmental jobs with this exciting prospect of a GCSE?

Caroline Ansell: I concur with all that the hon. Gentleman said. That love of nature that we want to inspire in the youngest children needs to find progression and continuity in every age and all the key stages of the curriculum. Ultimately, that will provide them with skills and insight for a future where, as we look to build the green economy, we need to build a green workforce, too. I welcome the hon. Gentleman's contribution.

Caroline Lucas (Brighton, Pavilion) (Green): I congratulate the hon. Member for Eastbourne (Caroline Ansell) on securing this really important debate. I apologise that I cannot stay for all of it, due to a Select Committee happening simultaneously. Does she share my excitement that, since nature writer and producer Mary Colwell initiated this campaign in 2011, it has gathered more and more support, including among teachers and students? Does she agree that it would help to fill a critical gap in the curriculum by helping students understand the complexities of the natural world, with intensive field study of whole organisms in context, in a way that no other GCSE currently allows?

Caroline Ansell: I thank the hon. Lady for her intervention; she is my near neighbour along the coast. I had the great pleasure and privilege to speak to Mary this week ahead of today's debate. I am a huge admirer of her work and her passion to see the next generation equipped and empowered for the future that faces them, in terms of both protecting our natural environment and having a great love for that environment, which is important to their wellbeing.

I would like to focus on another point mentioned by the hon. Lady, which is what this unique qualification would bring to the curriculum. An important gap has been identified and worked on by OCR, not least around the knowledge of organisms in their context, as she described, but also around the mix of subject areas where this GCSE could bring such powerful learning. Some have raised concerns that this subject overlaps with other subjects, such as biology or geography, but we see overlap in the curriculum as it stands. We see overlap between economics and mathematics; we see overlap between history and English. Some say overlap, but I might say reinforcement and consolidation. I might say that this triangulates and makes learning

[Caroline Ansell]

more powerful through the experience of encountering common subject matter across different disciplines. So the hon. Lady is right to highlight this subject's unique and distinct contribution, in both its mix and its content.

Jim Shannon: We have all become admirers of Mary Colwell, and perhaps the hon. Lady agrees with her when she said:

"A GCSE in natural history would reconnect our young people with the natural world around them. Not just because it's fascinating, not just because it's got benefits for mental health, but because we'll need these young people to create a world we can all live in, a vibrant and healthy planet."

That underlines what the natural history qualification the hon. Lady is trying to achieve could do for many of our children, while not in any way undermining the place of traditionally taught history, which has a role to play in the curriculum.

Caroline Ansell: I thank the hon. Gentleman, whose point was well made. This is not an "instead of" qualification; it is potentially an "alongside" or an "as well as". It complements study across several different disciplines, not least opening up employment prospects, as he described. I go back to that inherent truth that one cannot protect what one does not love. We need to connect with that great love of nature and then reinforce that with the knowledge, insight and skills required to bring conservation work forward. It will be such an important torch for this generation to carry forward.

We have all seen in our schools some of the work that is being done, either in the curriculum or extra-curriculum in the wider life of the school, alongside this heightened concern for the environment. The truth is that eight in 10 children who were interviewed by Natural England in its People and Nature survey agreed that being in nature made them very happy. This generation has not had the same opportunities as previous generations to enjoy our once rich natural environment. Almost half of UK species are in long-term decline, including key species such as the hedgehog, whose numbers are down 95% since the 1950s. We have ploughed up or concreted over large swathes of native habitat in the last century, including 97% of our wildflower meadows.

Access to nature is highly unequal. One in five children living in England's most deprived areas spend no time at all in the natural environment. The consequence of this precipitous decline is what is known as the shifting baselines phenomenon, whereby successive generations simply become accustomed to ever lower levels of biodiversity, unaware of the greater abundance enjoyed by those who came before. The raucous dawn chorus of a century ago and the splattering of insects on the car windscreen, which were commonplace in our childhoods, are unknown to young people today. One survey found that 83% of five to 16-year-olds could not identify a bumblebee, one in four could not identify a badger or robin, and almost half could not identify brambles, blackberries or bluebells.

Although they have never been so far removed from nature, eight in 10 children and young people in England say that they would like to do more to protect the environment and that doing so is important to them. It is that gulf between, on the one hand, the knowledge and experience of the natural world that are required to protect it and, on the other, the growing concern about ecological decline that a new natural history qualification could help to close.

We know just how important education is if we are to overcome the challenges of climate change and biodiversity loss. Sir David Attenborough has called for a greater role for nature in our schools, highlighting the growing absence of nature in young people's lives and the negative impact that this is having on their wellbeing and that of the planet.

Sir David's plea was reinforced earlier this year by the landmark Dasgupta review into the economics of biodiversity, which was commissioned by our Treasury Ministers and published to widespread acclaim internationally. It emphasised the importance of integrating nature studies into the curriculum. Professor Dasgupta argued that this would improve health and wellbeing and—going back to the point made by the hon. Member for Strangford (Jim Shannon)—empower young people to make informed choices, as well as hold Governments and businesses to account for their impact on the natural world.

With the right knowledge and skills, all young people, whatever their background, can and should contribute to the great national and global effort to halt nature's decline. After all, that mission is now the law of this land. We are the first country in the world to set a legal deadline for halting nature's decline by 2030, thanks to the landmark Environment Act 2021, which also contains a suite of measures to clean up our air and waterways, reduce waste and increase biodiversity.

Recognising the essential contribution that schools, teachers and young people can make to protecting our environment, the Education Secretary launched the Government's climate and sustainability strategy for schools at COP26. I commend the Government for their leadership and ambition, and teachers and students in Eastbourne will relish the chance to increase biodiversity in their playgrounds and contribute to rewilding efforts in our community—indeed, they are already doing so.

It would be most remiss of me were I not to mention at this point the latest members of Parkland, where llamas now join ducks and chickens, or of West Rise Junior School, which now hosts water buffalo, which find their way into every element of the primary curriculum, from art through to mathematics and beyond.

The Eastbourne Schools Partnership, which is now the Coastal Schools Partnership following the inclusion of schools from Seaford and Bexhill, is a group of partner schools that have formed the Reconnect Group, which meets to discuss ways to help young people re-engage with the natural environment. It was inspired by a similar group called the Millennium Kids, an Australian group that it linked up with during Eastbourne's Making Natural History conference in November 2020. The Reconnect Group is working with the Eden Project in Eastbourne as it looks to develop Jubilee Way as part of the Queen's Green Canopy project and make it somewhere where young people can do exactly that: reconnect with the environment. The group will be walking Jubilee Way this weekend, as part of the research, so that pupils can contribute ideas to Sir Tim Smit and his team for different learning zones along the way. It is a 10-year project. Good things are happening.

What is more, the Government's Skills and Post-16 Education Bill will help plug the green skills gap. I and colleagues in the Conservative Environment Network believe that they could go even further by setting a requirement in law for the Secretary of State to publish a green skills strategy.

It is within that context—a world-leading Environment Act, a stronger emphasis on climate change in the national curriculum and a green skills revolution—that the Government could also look to introduce a natural history GCSE. It would be a part of the whole—a jigsaw piece. It would demonstrate to schools, students and parents the high value we place on study in this area.

The proposed GCSE was developed by Cambridge Assessment and OCR following an extensive consultation that received more than 2,000 responses. I am pleased to say that the Eastbourne Schools Partnership sat on the strategic advisory group. The results are most impressive and very compelling: 94% of the young people who responded said that they would have liked to study the GCSE, and 96% of UK teachers and educators who responded were interested in teaching the qualification.

The natural history GCSE would reflect progression within the existing curriculum. It builds on nature observation content in key stages 1 to 3, providing a good capstone assessment at 16 that brings together those threads in a way that existing courses in geography and biology cannot.

Mrs Drummond: Is there any evidence from the people who responded that young people would take up natural history instead of science and geography? Would it be an alternative or an add-on? The number of GCSEs that most people can take is limited.

Caroline Ansell: My hon. Friend is right to highlight one of the challenges around curriculum choices. Of course, with every choice there is an opportunity cost. However, this additional, optional GCSE would complement any choices, be they arts or science choices. The curriculum is designed to provide a broad and balanced education in the core, so there would be no learning loss—the science component is already guaranteed and safeguarded. This new GCSE would provide an opportunity for extended study into the natural world, with all the benefits that could bring. Of course, as I said earlier, it is quite a mix of a GCSE, in that it rests on several different disciplines, so it is a good all-round GCSE choice to complement any combination of subjects that students might choose.

Caroline Lucas: I wonder if the hon. Lady has come across the statements from university lecturers about the fact that they see students come through the school system and arrive at university without having had the field study or the immersion in nature and the direct contact with it in terms of identifying, monitoring and recording the life around them. That is what the GCSE could do. It would give pupils a really intimate knowledge of nature and first-hand experience of working with nature in a very different way from something that is more usually desk based.

Caroline Ansell: The hon. Lady is right to highlight the significance of that component of the proposed new GCSE. I think we would all agree that learning through doing and being active within that learning is a hugely powerful experience. The content is, of course, very important, but it is the real-time, real-place study that will make this proposal a particularly attractive and meaningful learning experience, and a brilliant springboard to further study, whether at A-level or at university. As the hon. Lady says, it is about active engagement.

A key component of the new course includes those practical field studies—as mentioned by the hon. Lady—to develop the skills of observing, describing, classifying and analysing wildlife. That bridges an important gap in the curriculum. Students would learn about the wildlife in their local area, engendering that important sense of place, wherever that place might be. They would develop an understanding of ecosystems and the interdependence of the organisms within them, as well as the forces that shape them, including human activity such as farming and urbanisation.

The OCR proposal contains unique skills and content, while reinforcing skills in biology and geography, which are complementary, in the same way as physics complements maths, and history geography. The skills developed by the course would support various academic and vocational post-16 pursuits, including in the biosciences, geography and land-based industry, helping to plug our green skills shortage. If the Government were minded to initiate further work on this, students could begin by taking the course from September 2024.

A number of challenges are involved, as with all innovations, but they are far from insurmountable. Do we have the expertise to teach and establish the course? The answer is yes. Biology and geography teachers would be the most likely to teach the course, but OCR has interest from teachers of all subjects. Teachers are by instinct and training hugely resourceful. We also have a world-leading non-governmental organisation community—from the Eden Project and the Wildlife Trust, to the Royal Society for the Protection of Birds—which sits on a wealth of knowledge, material and sites that can be deployed to support teachers. Indeed, many of those groups already do great work in providing educational visits for families and schools.

Can we ensure that the qualification is accessible to all students? Again, the answer is yes. Field studies are deliberately designed to be applicable in both urban and rural settings. Government and civil society can play a role in encouraging take-up in deprived areas by facilitating trips and visits to nearby nature spots, as well as bringing wildlife into classroom study.

In short, introducing a natural history GCSE is feasible for schools and could be widely accessible to students from all backgrounds in all parts of the country. It would be part of the jigsaw to arrest the shifting baselines phenomenon by highlighting the change to our natural environment over time and the potential for restoration in the future. Committing to the new qualification would show young people that society values the environment. It would provide them with the tools to make a positive contribution towards solving the biodiversity and climate challenges. It would give them the opportunity to acquire a recognised qualification that reflects a deeper connection with and understanding of the natural world. Such learning and recognition will equip and empower this generation of students to rise to meet one of the principal challenges of our times. I commend its adoption to my hon. Friend the Minister.

2.53 pm

Mrs Flick Drummond (Meon Valley) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. I thank my hon. Friend the Member for Eastbourne (Caroline Ansell) for bringing this important debate to this Chamber, and I bow to her expertise as a former teacher and director of studies.

My hon. Friend may know that I never miss the opportunity to say that GCSEs no longer have any place in our assessment system. I think that we should have a 14-to-18 curriculum that could include the topic of natural history, as well as other subjects, giving skills and knowledge to young people. Employers, universities, parents and young people themselves are looking for a curriculum that sets them up for future careers. I believe that public examinations at 16, at which 49.9% of young people fail English and maths, are not acceptable.

Caroline Ansell: I thought I was being bold in proposing the introduction of one GCSE, but my hon. Friend has taken that proposal and raised me a revolution. I am sure that teachers everywhere will admire the breadth of her ambition. I think that where she and I agree is that this would include a component or a topic dealing with natural history. Does she therefore agree that this needs to be given a greater profile, greater prominence and greater coverage, and that a greater emphasis needs to be placed on the field studies mentioned by the hon. Member for Brighton, Pavilion (Caroline Lucas), in order for this new, revolutionary education system to meet the needs of this generation of students?

Mrs Drummond: I absolutely agree with that, and I will come on to it later. We need to look again at our curriculum to ensure that young people are not alienated from education, and what my hon. Friend the Member for Eastbourne has said about natural history may be part of that. I am not against exams or other rigorous methods of assessment, but at present I do not believe that the existing system is working. I am looking forward to the beginning of next year, when several commissions will report on the subject of the new assessment system.

Turning to the OCR proposal for a new GCSE in natural history, the environment is a very important subject—possibly the most important—for all young people. Like my hon. Friend, when I meet children and young people, that topic is always at the forefront of their conversations and questions, and their letters and emails are all deeply concerned about the environment. In 2021, Global Action Plan found that 89% of young people aged seven to 18 said that caring for the natural world was quite or very important, and teachers would like there to be more in the curriculum about climate change, although they need more training and information about it.

As such, I agree with teachers and pupils that natural history should be an integral part of the national curriculum starting at key stage 1, but in fact it is already there. As the OCR report mentions, children begin studying natural history at an early age, from key stage 1 to key stage 4 in science. Science covers many of the subject aims and learning outcomes that OCR has put in its proposal for a natural history GCSE. For instance, in year 1, pupils are taught to use their local environment to explore and question how plants grow, looking at plant structures, using equipment to identify plants and describe them and record how they change over time. Year 2 looks at living things and their habitats: pupils explore and compare the differences between things that are living, things that are dead and things that have never been alive; identify that most living things live in habitats—including microhabitats—to which they are suited; and describe how different habitats provide for the basic needs of different kinds of animals and plants and how they depend on each other, including food chains. Pupils in years 3 and 4 perform a range of scientific experiments and observations on natural history, looking at naturally occurring patterns and relationships and using data, and that continues in years 5 and 6, increasing the complexity of what those pupils are learning, mostly based on natural history. As such, by key stage 4—GCSE level—science already covers nearly everything that is in this new GCSE.

I worry that bringing in this new GCSE would dilute the rigorous science GCSE by diverting young people into another, similar course that is far narrower than the existing science one. They would miss out on many elements of science, such as chemistry and physics, which contribute to young people's general knowledge and would help their understanding of our environment. Geography is only compulsory up to key stage 3—although, of course, I would change that if I were going to design a curriculum from 14 to 18—but the geography GCSE also covers much of what is in this natural history proposal, and dovetails well with the science GCSE. OCR states that it would use

"the same underlying rationale as the models in GCSE Science and Geography, which support rich practical and field work, but do not use over-structured practical and field work to contribute marks to the grade. This avoids boring work which could easily be 'gamed' or leads to poor-quality assessment."

That is a really odd comment, and I hope it does not mean that OCR believes that this boring work is already happening. If it is, why on earth are examination boards not making it more interesting for science and geography?

OCR also says in its proposal that the new GCSE would not comprise

"a redundant overlap with other disciplines and discipline areas".

I would challenge that: I believe that it would, and I think that my hon. Friend agrees with me, because she mentioned that in her speech. There is not enough time in such a broad GCSE, which contains geography, biology, geology and so on, to incorporate rigorous knowledge of each of those subjects. Could it be seen as an easier alternative? I have read the proposal carefully, but I am concerned that people will take natural history as an alternative and therefore miss out on important and valuable study areas. However, I agree that we must include much more about the environment and our natural history in the curriculum. Environmental literacy should be developed across a range of subjects. Learning about our natural world should not be limited to one subject alone.

Caroline Ansell: Will my hon. Friend give way?

Mrs Drummond: Of course—I knew that my hon. Friend would say that.

Caroline Ansell: I thank my hon. Friend, who raises some valid concerns that need to be addressed and, indeed, have been addressed in other places. One thing that I seek to understand more is the important idea of

environmental literacy that she describes. Throughout the curriculum, there is much emphasis on language and communication as well as mathematics and numeracy. She describes early experiences extending all the way through the key stages. Is it not rather odd that, when we come to key stage 4, there is not that same continuity and, therefore, opportunity for students to demonstrate environmental literacy in a way that further education institutions or employers could recognise?

Mrs Drummond: My hon. Friend makes an interesting point. However, environmental literacy should be not just limited to science and geography but seen through English. We can think of a whole lot of poetry about nature.

Caroline Ansell: Will my hon. Friend give way?

Mrs Drummond: My hon. Friend is a language teacher, not an English teacher.

Caroline Ansell: Indeed—a French teacher. One of the most exciting and potentially dynamic elements of the new GCSE is that it goes beyond a purely scientific approach where it might rest on biology or even geography and extends to our understanding of the natural world as manifested in art, music and literature. There is a rich inheritance therein inspired by our natural world. The new GCSE does everything that my hon. Friend suggests.

Mrs Drummond: In that case, I am even more concerned that the rigorousness of a science—chemistry, physics and biology—would be completely missed out. I fear that people would take the natural history GCSE as an alternative to a science or geography GCSE and that those subjects would be lost. Environmental literacy should permeate every single subject, which would have the same effect as doing a natural history GCSE without the subject being limited to just that course.

Caroline Ansell: I have one final point. Learning is powerful and threaded, as my hon. Friend describes, through the curriculum. Indeed, that is how students first acquired the skills necessary to understand information technology: it was delivered via other subjects. However, we came to recognise that IT has its own standing and should have its own status and qualification. A student can go further, deeper and wider in the specific and discrete study of IT, even though it is encountered, encouraged and supported in every other curriculum area.

Mrs Drummond: That is true, but the reality is that fewer people are doing IT at GCSE, probably because it permeates through all the other subjects. That again illustrates why natural history needs to be part of the curriculum. Perhaps examination boards could design better examinations and curriculums rather than bring in a new GCSE that I believe would lead to young people missing out on much knowledge covered by science and geography courses.

Of course, I would much prefer to incorporate environmental literacy into a 14-to-18 curriculum, which would allow for a greater depth of study and development of skills. However, I am incredibly grateful to my hon. Friend for bringing forward this important debate.

Geraint Davies (in the Chair): I invite Tulip Siddiq to respond on behalf of the official Opposition.

3.4 pm

Tulip Siddiq (Hampstead and Kilburn) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I am standing in today for the previous shadow Schools Minister, my hon. Friend the Member for Hove (Peter Kyle), who is no longer in the role. I thank the shadow Secretary of State for Education, my hon. Friend the Member for Houghton and Sunderland South (Bridget Phillipson), for her help in advance of the debate, and I congratulate her on her recent appointment. I also thank the previous shadow Secretary of State for Education, my hon. Friend the Member for Stretford and Urmston (Kate Green), for the enthusiasm and passion that she brought to the role and to this topic. I will take all the points that were made in the debate back to my colleagues who cover the curriculum as part of their Front-Bench briefs.

I thank the hon. Member for Eastbourne (Caroline Ansell) for making such a passionate speech and for securing an interesting and timely debate on how natural history is a central part of children's education. Having two small children myself, it is something in which I am very interested. The Labour party believes that natural history, and the damage to the natural world brought about by climate change, must be at the heart of every child's learning. Indeed, with global temperatures continuing to rise, we have a duty as legislators to introduce our nation's children to the beauty and wonders of nature, and to ensure that they understand our planet, our place and our dependency on the natural world. Currently, however, only 17% of teachers report that climate change is taught at schools in core subjects other than science and geography. That is why it is so important that nurseries, schools and colleges are supported to instil a love of nature in future generations and to educate children about natural history, how climate change has impacted on that history, and how the damage can be reversed.

It is important to recognise that teachers and school leaders are already working across the country to teach their students about sustainability and the natural environment—whether that is through school vegetable patches or planting trees to mark achievements and special occasions.

I know that the hon. Member for Eastbourne was a teacher, and I believe she is married to a teacher, so she is well versed on the teaching world. I am sure she will join me in celebrating the efforts of all teachers who try to teach sustainability as much as possible. Like me, she is also a school governor, as I think are many MPs. We recognise that schools are trying and doing their best to teach as much as possible. For example, there is the work of the Eco-Schools green flag programme, which is supported by many of the schools in my constituency and others, as well as by nurseries and colleges. It consists of seven steps that educational institutions can take to engage their students on climate change and the natural world, including putting environmental issues in learning plans and choosing texts that explore those issues in subjects such as English. I must admit that that did not happen when I was at school, and I wish it had.

Sadly, despite the fantastic work that is taking place in many parts of the country, many children are still being denied an environmental education. I looked at some of the recent research from the youth-led Teach the Future campaign, which revealed that 70% of UK teachers

[Tulip Siddiq]

have not received adequate training to educate students on climate change. It also found that 41% of teachers say that climate change is rarely or never mentioned in their school. Perhaps most shockingly, just 5% say that climate change is integral to many aspects of the curriculum and teaching in their school, which is deeply concerning.

The hon. Member for Eastbourne referred to a report commissioned by the Treasury, "The Economics of Biodiversity", which warns that the absence of the natural world in our children's education is a risk to future prosperity. In a time of extreme climate change in which we have seen a loss of biodiversity, it is essential that young people have the knowledge and tools to tackle the climate crisis, because long after most of us have gone, our children will still be here. That is why I once again ask the Minister to carefully consider the report that the Treasury commissioned, and to look at what it recommended.

The research also shows that outdoor learning can improve children's educational outcomes, particularly for those who are from lower socioeconomic backgrounds, and that regular contact with nature makes children happier, healthier and better able to learn. This point was made in a very articulate fashion by the hon. Member for Brighton, Pavilion (Caroline Lucas), who mentioned that she had to leave the room to attend a Select Committee. She talked about the impact that contact with nature can have on children. I go back to a recent poll commissioned by the Wildlife Trust, which revealed that 75% of adults believe that children do not spend enough time enjoying the natural world. As I represent the inner-city constituency of Hampstead and Kilburn, I have certainly seen that for myself.

Of course, the situation has got even worse in the past 18 months. A survey by Save the Children found that more than half of all children were spending less time playing outside with their friends since the outbreak of covid-19. That is very worrying. Once again, while such cross-party agreement might be rare in this House, I agree with the hon. Member for Eastbourne that natural history should be at the centre of children's learning. The Labour party believes that children should have a strong understanding of the environment, and we look warmly on any proposal that fosters that ambition.

I also agree with the hon. Member for Meon Valley (Mrs Drummond)—I hope I pronounced her constituency correctly. When I speak to schoolchildren, as I often do when visiting local schools, climate change is the one issue they passionately care about and will bring up without fail every time I address a school assembly. It is important to ensure that every child, not just those who choose to study for a particular GCSE, understands the challenges facing our planet and our society. That would require the natural world to be integrated across the whole curriculum, not just in science and geography lessons or a natural history GCSE, but in all subjects, from English literature to history and others.

We must support schools and educators to do that if we want to see a genuine difference in the way natural history is taught. Embedding natural history, biodiversity and climate change within the curriculum will require new training for teachers and teaching assistants, which is why the Labour party has committed to giving all teachers a right to continuing professional development, with £210 million extra a year for CPD. That funding could be used to deliver training on the climate and the natural world, and I hope that is something the Government will also consider.

The Labour party has also announced plans for 400,000 green jobs, and it is essential that we enable young people to develop the skills for those employment opportunities. That has to start in schools and colleges, and climate change and green skills should be a priority for schools as well as for further and higher education, a point made by the hon. Member for Strangford (Jim Shannon)—I think he had to go, but obviously no Westminster Hall debate is complete without his contribution, so I had to mention him.

I have a series of questions for the Minister that I hope he will answer. How are the Government working to ensure that natural history and climate change are embedded across the education system? What are the Government doing to ensure that teachers receive adequate training to educate students on climate change? We cannot just tell them to do it; we have to help and support them. How will the Government ensure that outdoor learning is a key part of children's experience at school? That question is particularly important in the light of the statistics I talked about relating to covid-19. What steps are the Government taking to ensure that young people are gaining the skills they need at school and college to prepare them for the green economy?

Ensuring that the future generation value and respect their natural environment will be fundamental in the struggle to reverse the climate crisis, so I wholeheartedly welcome this important debate on how best to secure that end. I urge the Minister, who I know is willing to listen, to reflect on today's discussion to ensure that the natural world and climate change are at the heart of children's education and learning.

3.13 pm

The Minister for School Standards (Mr Robin Walker): It is a great pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Eastbourne (Caroline Ansell) on securing this debate, and it is a pleasure to follow the hon. Member for Hampstead and Kilburn (Tulip Siddiq), who gave a very good speech. Although I understand she is here in a caretaker capacity, I welcome the tone with which she engaged in the debate. I particularly welcome the lively debate that we had on the Government Benches between my hon. Friends the Members for Eastbourne and for Meon Valley (Mrs Drummond).

I thank my hon. Friend the Member for Eastbourne, as I am sure do her constituents, for her dedication to tackling environmental issues such as pollution, toxic air quality and single-use plastics. I also thank her for her continuing dedication to improving education and ensuring that every child gets the best start in life. She is one of many former teachers on our Benches who bring huge passion and experience to the Chamber and our debates.

I welcome this timely debate and the contributions we have heard from hon. Members across the House. The Department is currently considering its broader strategy for sustainability and climate change, one of the key strategic aims of which is excellence in education and skills for a changing world. I will do my best to answer the specific questions that the hon. Member for

Hampstead and Kilburn put to me, but I also direct her attention to a recent debate that we had in this very Chamber on the broader issue of sustainability and climate change, and the responses that I gave then.

My hon. Friend the Member for Eastbourne echoed one of the points raised in that debate, about the level of concern among young people around these issues. It is absolutely right that we should seek to address that, and to equip them with the tools and the confidence to find solutions to protecting the natural world and tackling climate change. On launching the draft strategy, our Department committed to engaging with young people and stakeholders ahead of the publication, and we are keen to hear many different views and consider many different opportunities, of which natural history may be one.

I begin this response by fully acknowledging the importance of educating young people about the environment and nature. Climate change impacts everyone and requires us all to change the way we behave and work. In England, there are over 72,000 early years and childcare providers and there are more than 16 million children, young people and adults in education across the whole of the UK.

We have a responsibility to prepare all our children and young people to meet the challenges, and to empower them to play their part in finding solutions so that they can benefit from the opportunities that we will face in the future. This is clearly a worthy topic for discussion. We must prepare young people as our country prepares for a low-carbon, greener future—one in which we can be better custodians of nature than, perhaps, previous generations have been.

At COP26, on 5 November, the Secretary of State announced a draft sustainability and climate change strategy and two key new nature-based initiatives—the national education nature park and the climate leaders award. Throughout the development of the draft strategy, the Department, including Ministers and the Secretary of State, has been engaging with young people to ensure that it reflects their needs. As part of that, we explored the subject of improved sustainability and climate education, of which nature clearly forms a critical element. We discussed the matter of a specific natural history GCSE with young people, and they told us they believe it is important for all young people to learn about the natural world, not necessarily just those who attend a school that may be able to offer a specific natural history GCSE or who elect to study it.

As we have heard, No. 10 commissioned the landmark Dasgupta review, "The Economics of Biodiversity", which also set out the importance of young people learning about and valuing nature for the protection and restoration of biodiversity. For that reason, we have set out action in our draft sustainability and climate change plan that enables young people to learn more about the natural environment. That includes a primary science model curriculum, to include an emphasis on nature and the recognition of species, which came up briefly in today's debate but was mentioned more in the previous debate that we had in Westminster Hall about the environment.

In that debate there was a lot of interesting talk about British birds and the importance of recognising them. I repeat the remark that I made then—that, as a Robin, I feel particularly strongly that this is something to be welcomed. Including the study of species native to the United Kingdom, such as the hedgehog, which my hon. Friend the Member for Eastbourne rightly made an impassioned case to protect, will ensure that all children understand more about the world around them.

Science continuing professional development would further improve the teaching of the national curriculum, which already includes many elements related to the subjects. That should ensure that all young people, right through to key stage 3, will receive an excellent and robust science education. We are continuing to work with sector representatives, young people and delivery partners across Government to refine and build on the draft strategy, ahead of publication of a final version in April 2022. We will continue to discuss the case for a natural history GCSE with stakeholders over the next few months, so that a decision can be made in the context of our broader strategy for sustainability and climate education.

When the Department, which I recently rejoined, started to reform the national curriculum and qualifications a decade ago, we wanted to ensure that they were firmly based on the knowledge that young people need to give them the basis for future study and work, including knowledge about the natural world and the environment. Currently, many elements related to the subject are taught throughout the curriculum, primarily through science and geography, both of which are core parts of the EBacc.

As my hon. Friend the Member for Meon Valley pointed out, in key stage 1 science pupils learn to understand the concept of habitats, and the relationship between habitats and the organisms that live there. During key stage 2 they learn how to classify organisms and about how changing environments have impacted upon organisms. Pupils also learn about the principles of evolution and how living things have changed over time to become adapted to their environments.

At key stage 3, pupils build on their earlier learning by learning more about the relationship of organisms within ecosystems and their environment. They also study the differences between species, to build an understanding of variation and, in turn, to understand the role that variation and adaptation have played in the evolution and extinction of species.

Key stage 4 biology develops further the key idea of interdependencies within ecosystems, including the specific impact that humans can have on the dynamic nature of ecosystems. Pupils gain a greater understanding of the importance of adaptation and the process of natural selection, and develop their knowledge of classification.

As part of the national curriculum, geography teaching should equip pupils with knowledge about diverse places, people, resources and natural and human environments, together with a deep understanding of the earth's key physical and human processes. Geography enables young people to become globally and environmentally informed and thoughtful inquiring citizens. Aspects of natural history can be covered throughout the geography curriculum. At key stage 1, for example, pupils are taught to use—

Caroline Ansell: The Minister does full justice to all the important content that is already within the curriculum that touches on natural history. Speaking of geography,

[Caroline Ansell]

is it an issue that this does not sit within that key stage 4 core? Does that mean that students are necessarily missing out on some important insight and understanding?

Mr Walker: I want to come to key stage 4 geography. If my hon. Friend will allow me, I will just run through the key stages building up to that, and then address key stage 4. We all recognise the benefits of this engagement, both within the curriculum, as I will come to later, and in activities that go beyond the curriculum.

Returning to where we are today, at key stage 2 children are taught to describe and understand key aspects of human geography, including types of settlement, land use, economic activity, including trade links, and the distribution of natural resources. That connects to natural history, as it provides pupils with an understanding of the physical and economic context in which organisms live, including the impact of agricultural and industrial processes on nature.

At key stage 3, children are taught to understand how human and physical processes interact to influence and change landscapes, environment and the climate, and how human activity relies on effective functioning of natural systems. There is scope to cover other aspects of natural history throughout the geography curriculum, and coverage need not be limited to the examples that I have given.

In key stage 4 geography, young people gain an understanding of the interactions between people and environments, change in places and processes over time and space, and the interrelationship between geographical phenomena at different scales and in different contexts. Again, that links to natural history, as young people gain knowledge and understanding of key ideas and principles, such as sustainability, human impact, complex systems and interdependencies. They also learn an overview of the distribution and characteristics of large-scale natural global ecosystems, drawing out for two selected ecosystems the interdependence of climate, soil, water, plants, animals and humans; the processes and interactions that operate within them at different scales; and issues related to biodiversity and to their sustainable use and management. Students are also taught about causes and consequences of extreme weather conditions, and about climatic change and evidence for different causes of that, including human activity.

In both science and geography, young people develop knowledge and understanding of the principles, processes and events that make the systems within which organisms live dynamic. They also develop an understanding of key ideas and principles of life cycle, sustainability, human impact, complex systems and responsibility.

The Government do recognise that fieldwork is a very important part of teaching within geography, which is why geography programmes of study contain geographical skills in fieldwork as a theme in key stages 1, 2 and 3. The new GCSE in geography, taught since September 2016, includes a clearer balance between human and physical geography, and requires pupils to carry out at least two pieces of fieldwork outside the classroom. It is worth noting that the vast majority of students take science GCSEs and 41% took a geography GCSE in 2019-20—an increase from just 26% who took geography GCSE in 2009-10.

Curriculum and qualifications are not the whole story. We have a number of examples in this debate, but we can go beyond that. It is worth reminding everybody that the national curriculum is a framework, setting out the context of what the Department expects maintained schools to cover in each subject. Academies are free to use the national curriculum as a benchmark, to ensure that they deliver a broad and balanced curriculum. The curriculum does not set out how curriculum subjects or topics within the subjects should be taught. Teachers can and do use their own knowledge and expertise to determine how they teach their pupils, and make choices about what they teach, including the teaching of aspects of natural history, building on and enriching the words on the face of curriculum documents.

On a recent visit to the Rivers Multi-Academy Trust and one of its schools in my constituency, I was pleased to see that topics such as nature, climate change and the environment are already included, not just in citizenship, science and geography but in English and art, in a balanced curriculum that was created to reflect the millennium development goals. Schools are making room in the curriculum to let children experience nature. This provides key learning to all students but also offers flexibility. We see some excellent work in climate education at all levels in schools.

We trust teachers to use their judgment when it comes to materials that they use in class. They are experts in bringing the content of the curriculum to life for their students. Teachers can choose from a wide variety of resources and have the freedom to choose the approaches that best suit their pupils. One example of innovative teaching is from Sara Falcone, a teacher at Dagenham Park School, who, like the Rivers MAT, has introduced the global sustainable development goals into her science lessons so that her students can make links to sustainability in a range of different science topics. Another example is from Matt King, a teacher at Westcliff High School for Girls, who adapted UK Research and Innovation's Clippy Island resource to make learning about natural selection accessible and engaging for students.

Teachers draw on the expertise and resources of subject associations in this area. For example, the Royal Society of Biology, the Geographical Association and the Royal Geographical Society all produce expert resources, advice and continuing professional development on topics related to the teaching of the environment and natural history. The Department is supporting them on that; through our strategy, we will provide teachers with access to more high-quality resources and share best practice.

Formal education is not the only route for children and young people to learn about nature. There are many excellent opportunities, programmes and awards for pupils focused on natural history and the environment, as well as outdoor education. We worked to ensure our outdoor education centres were included as part of the lifting of covid restrictions, so children are now able to access those on a residential basis. We heard about the fantastic work that goes on in forest schools. My hon. Friend the Member for Meon Valley was right to draw attention to their work, providing young people with a greater sense of connection with nature and an understanding of our shared future.

Many varied organisations, such as Scouts, Guides, the Young Foresters Award, London Zoo, the John Muir Trust and the Duke of Edinburgh Award, also engage

young people with the natural world. My hon. Friend the Member for Eastbourne rightly points out the benefit of initiatives such as planting trees for the Queen's jubilee, which can also make future contributions in this space. The Department's Climate Leaders Award will act as an umbrella for the many existing awards and activities that stakeholders currently provide. In doing so, it will help to increase participation in nature-based activities and celebrate and recognise the enormous effort that so many education providers and children and young people put into improving their local environments.

We are currently working with the Natural History Museum to develop the nature park and the climate leaders award further, and we will engage with many stakeholders and young people to ensure that, when those are launched, they provide excellent opportunities for all young people to get practically involved in nature and to contextualise their learning. The ambition is to launch the park and the award scheme in autumn 2022. We also have the Wildlife Trust wild school award pilot and the wild challenge award.

One recent real-life example of work in this space is by Hollie Daw, a sixth-form geography student at the Hurst School, Basingstoke, who received the RGS's prestigious Ron Cooke award for her individual research into infiltration rates— water soaking or filtering through the soil—in her local Ashford Hill nature reserve. Thousands of primary and secondary pupils and schools have been exploring how they have reconnected with their local environments and green spaces during the covid-19 lockdowns through their entries to the RGS's Young Geographer of the Year competition, which had the theme, "Remapping our lives". I look forward to the RGS announcing the winners of that competition on 3 December.

In considering whether to introduce a new GCSE, there are many complex factors that we need to think about. We have heard some of those already, including whether a new qualification is the best way forward to enhance all students' knowledge and skills in these important areas. Alternatively, we could consider whether there is more we can do to support teachers to teach the current curriculum and qualifications in a way that encourages all pupils to engage more with natural history elements.

Another factor is whether a new GCSE would support progression for pupils who want to go on and study and work in the field of natural history. I heard the strong case from my hon. Friend the Member for Eastbourne that it would. Pupils take only a limited number of qualifications at GCSE, and we could consider whether we should do even more to encourage pupils to study geography at GCSE alongside the sciences, as almost all pupils already study two or three GCSEs'-worth of science. Another factor to consider is whether the qualification adds to the total knowledge that a pupil will gain by the age of 16. Any new GCSE needs to avoid significant overlap with other GCSEs—in this case, science and geography. That is to ensure that young people leave school with a broad and balanced curricular experience, and that individual students are not awarded two GCSEs while only covering the content of one and a half, for example. We also need to consider how teachers of natural history would be sourced without exacerbating existing pressures on the geography and science teacher workforce. It is worth noting that this year we have already seen an increase in the bursaries for both biology and geography.

I have been very grateful to hear the arguments for this case, and to be given the opportunity to set out some of the work that is already going on in this area. There remains a huge opportunity to enrich the existing curriculum. The development of the primary science model will focus on nature and help young people recognise different species, giving them more knowledge that will be required as they move through education.

The Oak National Academy serves millions of children through online classrooms, providing lessons and accompanying resources, which include coverage of the environment, climate change, wider sustainability and other natural history topics. Teachers are choosing from a wide range of high-quality curriculum resources available, from Oak and beyond.

This is a very important area of education. It ensures that young people are prepared to meet the challenges of and equipped to benefit from the opportunities that they will face in the future. As I have outlined, there are already many exciting opportunities within the existing curriculum for people to be taught about natural history. The Department will continue to consider carefully the proposal for a natural history GCSE. It will also continue to support schools to make the most of our new initiatives. The national education nature park and the climate leaders award will ensure that all children and young people, regardless of the subjects they choose to study, will learn more about nature.

There is a huge amount of important work going on, building on the opportunities within the existing curriculum and the qualifications structure. There is always more to do. I am grateful to my hon. Friend the Member for Eastbourne and all who spoke today for emphasising the importance of nature and a love of nature in our education system.

3.31 pm

Caroline Ansell: I thank my hon. Friend the Minister for doing justice to all the very good work that is already being done in schools. He highlighted that there is further work to do to enhance the curriculum as it stands, and that the Department and he are still considering the opportunity to enhance the curriculum by offering this new choice at key stage 4.

During the debate, natural history has variously been described as a priority and something that we must embed and profile. It strikes me that there is consensus around how important and valuable the topic is. It would be a very fitting acknowledgment of how important it is to offer it as a qualification, so that students can demonstrate their skills and the learning that the Minister described, right from when they are tiny all the way through school. As important as those lessons and wider learning are—through different awards and programmes—having a qualification that reflects a body of knowledge and the skills acquired could be an important, valuable contribution to a student's portfolio.

Choice is very important as students approach their final key stage, unless we are going for the bigger, wider reform that was previously described. All the while we are still in the realm of GCSE subjects, I do think it is important that we continue to innovate, and that the

[Caroline Ansell]

curriculum continues to be dynamic and reflect the future that we are working towards. I noted that the Minister mentioned the Natural History Museum and the Wildlife Trusts as partners, but they support the introduction of a natural history GCSE, so there are some very significant partners willing to bring their expertise to bear to bring forward such a qualification. I heartily recommend the introduction of a natural history GCSE, while appreciating the complexities that are involved. There is nothing more significant or important than the curriculum that we design and offer to this next generation.

Question put and agreed to.

Resolved,

That this House has considered the matter of introducing a Natural History GCSE.

3.34 pm

Sitting suspended.

Cider Industry: Duty Changes

4.11 pm

Geraint Davies (in the Chair): I remind Members that they are expected to wear face coverings when they are not speaking in the debate. That is in line with current Government guidance and that of the House of Commons Commission. I also remind Members that they are asked by the House to take a covid lateral flow test twice a week if they are coming on to the parliamentary estate. That can be done at the testing centre in the House or at home. Please give each other and members of staff space when seated and when entering and leaving the Chamber.

I will call Bill Wiggin to move the motion. I will then call the Minister to respond. There will not be an opportunity for the Member in charge to wind up, as is the convention in 30-minute debates.

4.12 pm

Bill Wiggin (North Herefordshire) (Con): I beg to move,

That this House has considered the cider industry and duty changes.

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

I welcome the progress the Treasury is making on cider and alcohol duty. It will be helpful to hear what the Minister thinks the direction of travel is for the industry, and how the Treasury is helping. The announcements by the Chancellor in his autumn Budget on alcohol duty were largely welcome. His five-point plan will simplify the tax brackets. It is supposed to come at an overall cost to the Treasury of £555 million by 2027. The number of bands at which different duties are levied will be cut from 15 to six. That ambition is tremendous. However, I hope the debate will be helpful in ironing out some of the issues with the proposed changes.

I want to draw attention to the traditional small-scale cider makers, who make up roughly 80% of the country's cider makers. I also wish to draw the House's attention to the announcements on flavoured cider. My constituency of North Herefordshire is home to many small-scale and large-scale cider makers. The cider orchards of Herefordshire are said to produce more than half the cider consumed in the UK.

The call for evidence document in the Government's alcohol duty review consultation sets out three objectives:

"a) Simplifying the current complicated system;

b) Making the basis of alcohol taxation more economically rational, with fewer distortions and arbitrary distinctions; and,

c) Reducing the administrative burden on producers when paying duty and complying with excise requirements."

Alcohol duty was harmonised under EU law, but now we have left the EU and its onerous legislature, it is right that we consider how the duty system works. The stated aims from the Treasury are welcome, but why are the Budget announcements made only to have a consultation occur afterwards? Should it not be the other way around? On a positive note, I can report that the consultation has been managed in a way that cider manufacturers found very helpful. However, one cannot help but feel that all this could have been ironed out before the Chancellor rose to his feet.

UK cider producers sell to more than 50 countries over five continents, and that trade is worth more than £100 million a year to the economy. I hope that the duty reforms will encourage cider producers to go beyond the hobby level to become sustainable businesses and increase those figures.

What the Chancellor announced in relation to alcohol duty is welcome. However, looking a little further, there are some discrepancies, and I hope the Department will not mind me bringing them to its attention. In his Budget statement, the Chancellor proclaimed that this would be the

"biggest cut to fruit ciders in a generation."

Fruit cider is currently treated as made-wine for excise duty purposes, and it is taxed at two and a quarter times the rate of apple cider. The proposed tweaks in the duty rate leave made-wine with a proposed excise duty two and a half times the duty rate for packaged ciders, and more than twice that of keg ciders. That is probably because flavoured ciders have a 22.8% market share of the UK's £2.1 billion cider industry. Helpfully, the flavoured cider market is established at 4% ABV, or alcohol by volume. They are some of the lowest-alcohol ciders on the market—obviously, excluding the no and low-alcohol ciders—but they are charged a premium in excise duty.

Under current proposals, the duty on 4% packaged fruit cider bought from a shop will change from £91.68 per hectolitre to £90 per hectolitre. To put that in context, the duty on a hectolitre of apple-flavoured cider will move to just over £35. That is a difference of £55 per hectolitre. The higher rate of duty for fruit cider was introduced to protect apple cider made using British apples. However, many fruit ciders now simply have an apple cider base, made with British apples, with flavourings or colour added. The excise duty rates seem to be hampering innovation and growth in this sector—a sector that can offer much safer, lower-ABV ciders. Producers such as the ones in North Herefordshire want to increase innovation and diversity across the cider category.

At present, flavoured cider has not been included in the Government's consultation. I hope that the Minister will agree that it can be added, as I am sure many producers would like to have their say. Helpfully, the anomaly was recognised in the Chancellor's statement. Paragraph 2.11 of the consultation, under the heading "Anomalous and arbitrary", notes:

"Larger cider makers felt that the duty differential between flavoured and non-flavoured cider impeded innovation in the market."

However, paragraph 2.12 suggests that craft and small cider makers are supportive of a higher rate of duty for flavoured ciders. That is not right; in my frequent discussions with producers, I get a very different picture.

Fruit ciders, rosé ciders, mulled ciders, cider with honey, cider and elderflower and spiced cider are all treated as made-wine. Such ciders have been made for centuries, and there are records of them going back more than 400 hundred years. They are firmly part of the traditions of cider making. Many small and craft cider producers make such variants using traditional methods, and the market for them is increasing. Each household is reported to buy fruit cider an average of six and a half times a year.

The demand is also there to support local, small-scale producers, many of whom would like to tap into the fruit cider sector. Those small and craft cider producers still use traditional fermentation processes to create fruit cider, and then work with other local fruits to produce their local version of fruit cider. What does stifle innovation is the fact that when making cider through the natural process, rarely does a product come in at under 6.5% ABV. Fair enough—that changes slightly each year, depending on how much sugar is in the apple crop. Because of the way the fermentation process works, unless the cider is diluted, it will probably come out at above 6.5% ABV. My own cider, when I made it myself, was above 7%. The benchmark ABV is 4.6%, so someone wishing to make a fruit cider using traditional methods, without dilution, is likely to be hit with an excise rate too high to justify that diversification. Traditional cider makers using natural fermentation from apple juice could see upwards of a 40% increase in duty, and it could be even higher if they venture into fruit versions.

The proposed changes to flavoured ciders will only truly benefit the makers of large, mass-produced flavoured cider in the established 4% ABV market, selling in 50-litre kegs. That is Kopparberg, which is Swedish; Heineken, which is Dutch; and Aston Manor, which is French. Those manufacturers, with their foreign-owned parent companies, are destined to benefit the most from the excise duties at their current levels—the same duties that are meant to be championing the local little guy.

Would the Treasury not see benefits in bringing fruit cider in line with the apple cider rate, which is better known as notice 162? If the fruit cider market is opened up and brought into line with its apple-only equivalent, growth will occur. Flavoured ciders lead many global cider markets, so encouraging the growth of lower-ABV flavoured ciders can help rejuvenate the industry and expand our global reach in the sector.

The changes to alcohol duty rightly address concerns about problem drinking. A recent survey asked 20,000 people about alcohol consumption in 2019 and 2020, and it found a spike in high-risk drinking following lockdown, from around 25% to 38%. According to the World Health Organisation, alcohol consumption contributes to 3 million deaths each year globally.

It is no secret that white ciders—the type sold in 2.5 litre bottles at a cheap price—have exploited the current duty system. A report by the charity Thames Reach found that of the 8,096 people found sleeping rough by outreach teams in the capital, 43% had an alcohol problem. Of those, an astounding 98% are primarily drinking high-strength cider and super-strength beers. Popular brands include the 7.5% Ace cider, which comes in a three-litre bottle and contains 24 units of alcohol, but retails at only £3.99. This is clearly wrong and dangerous, so I understand the Government's commitment to increasing the duty on this type of cider.

However, there are concerns that such products are conflated with those made by the producers I am championing today. I will quote a company in my constituency called Little Pomona, which has visits to its cidery during the tourist season:

"With over 1,000 visitors over the last year, we have never had any instances of over-drinking. We don't serve our cider in pints. Purely as thirds, halves of pints, and wine glass measures. Our ciders are served in restaurants, from modest bistros to Michelin starred establishments".

The point is that the consumer who indulges in a craft, artisanal, small-batch cider is different from the consumer who buys a £4 bottle of white cider. I hope that my hon.

[Bill Wiggin]

Friend the Minister can point the industry to how it can best maximise its potential safely, and tell us how the Government see the industry progressing.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): I declare my interest as the chairman of the all-party parliamentary cider group, and I support my hon. Friend in his argument. I know that the Minister takes a keen interest in this issue, and my hon. Friend is absolutely right that cider is an incredible, world-beating British product. He has laid the case out beautifully. Does the Minister agree that we, as a Parliament and as a Government, need to do much more to highlight the benefits of responsible cider drinking? We have Glastonbury in Somerset, and we do not get drunks on Glastonbury. It is not cider that causes the problem; it may be other things, but it is not cider.

Bill Wiggin: I will have to take my hon. Friend's expertise on that matter at face value, but I agree with all the good things he said and I thank him for his work as the chairman of the all-party group.

The cider industry in this country is unique. Family-owned companies such as Westons in Much Marcle, which has 240 employees, contribute so much more than just delicious cider from local apples. People such as Helen Thomas, to name just one of many, ensure that my constituency leads the way. That spirit of innovation and history needs to expand as we forge new relationships with nations around the world. Fruit ciders produced by a craft cider maker in North Herefordshire should be in stock behind bars from Armenia to Zimbabwe, in a truly global British fashion.

From my discussions with relevant local stakeholders in the cider industry, I know that most of their concerns could be addressed via the consultation. I hope that any additional points are taken as constructive and that the Minister will be able to provide reassurance to cider makers in Herefordshire, and indeed nationwide, that their historic and significant craft will be nurtured and given the boost that the recent announcements have set out to achieve.

4.26 pm

The Exchequer Secretary to the Treasury (Helen Whately): It is a pleasure to serve under your chairmanship, Mr Davies. I raise a metaphorical glass to congratulate my hon. Friend the Member for North Herefordshire (Bill Wiggin) on securing this debate, and I thank him for his constructive tone and his welcome for many of the announcements on alcohol duty in the Budget.

It is clear that my hon. Friend is indeed a true friend of the many cider producers in his constituency. I know that this is an industry with a long history in Herefordshire. In fact, as far back as 1724, Daniel Defoe wrote of the county's people that

"they have the finest wool, and the best hops and richest cider in all Britain."

As a Kent MP, I know that other parts of the country might dispute that claim, at least when it comes to hops. Today, as my hon. Friend pointed out, Herefordshire is home to many cider makers, small and large, producing drinks that are enjoyed both in this country and around the world. Although Herefordshire is a centre for the industry, the economic benefits of cider production are felt nationwide.

My hon. Friend is quite right to highlight cider producers' contribution to the national economy and the many jobs that the industry supports. I am sure hon. Members can understand why the Government want this fantastic industry, which has been with us since at least Roman times, to go on to even bigger and better things.

Before I address the detailed points raised by my hon. Friend, I will briefly run through some of the changes we are making, which we believe will help the industry to go on to achieve further success. First, I will discuss alcohol duty reform. Quite frankly, reform of our alcohol tax laws is long overdue. They have barely changed since the 1990s. As my hon. Friend said, that is largely because of incoherent and prohibitive European Union rules that have hindered much-needed change. However, now we have left the EU, we have an unmissable opportunity to create alcohol laws that are simpler, fairer and indeed healthier, and by doing so we can help cider producers—along with British brewers, wine producers and spirit makers—to innovate and grow. That is why in the Budget we announced a series of major reforms to our alcohol duty laws, including the biggest reduction in cider duty for 98 years. Our new draft relief will cut duty on draft cider by 5%, encouraging people to choose to purchase cider in our great British pubs.

We look forward to working with the industry to understand how keg size and distribution methods can best support small producers and cider makers. We are also cutting duty on craft sparkling cider by up to half, so that anyone buying a 75 cl bottle of such cider that is 6.5% alcohol by volume will pay £1.25 less duty. This boost is a clear benefit of the Government's decision to introduce a common-sense approach to alcohol duty and to remove the arbitrary and unfair premium rates on sparkling ciders and wines in the current system.

The new lower duty rates for ciders below 3.5% alcohol by volume will incentivise cider producers to innovate and develop healthier alternatives for consumers. As the Chancellor said at the Budget, sales of fruit cider have increased from one in 1,000 ciders sold in 2005 to one in four sold today. As has been mentioned, we are also cutting duty on such drinks by 13p a pint in the pub.

My hon. Friend the Member for North Herefordshire was right to highlight the health risks of white ciders. Although we are reducing the cost of lower-strength ciders, we are increasing duty on high-strength drinks, including harmful white ciders. Under our reforms, people buying superstrength ciders will pay 7p per 500 ml can. We believe that, together, such measures will not only boost British craft cider producers, but give consumers more choice, with healthier, lower-alcohol alternatives. They will boost community pubs by incentivising people to drink at their local instead of at home.

Beyond the duty changes, we are supporting the traditional cider industry in other ways. Although we are listening closely to the industry as part of our consultation on changing minimum duty requirements, we are keeping the definition of "cider" as a drink made wholly from apples and pears. My hon. Friend pointed out that we need to champion the little guy, and I agree. That is why all the measures will be underpinned by a new small producer relief for businesses making cider

that is less than 8.5% alcohol by volume. That will build on the duty exemption that the smallest cider makers currently enjoy and help smaller, innovative craft cider makers and other producers, such as those found in Herefordshire and Somerset, to expand and grow their businesses without facing substantial tax increases.

On consultation, I want to stress that the reforms announced at the Budget were part of our review on alcohol duty last year. That involved a call for evidence and received over 100 responses from the industry and other groups. We spent almost a year carefully considering the feedback from cider makers and other producers. We have been closely discussing our proposals with the industry throughout the policy development process. The consultation will be published in October and remains open until January, and I welcome the industry's views on the questions raised in the consultation documents and on the points covered by my hon. Friend during the debate.

I take on board my hon. Friend's point about the difference in duties between flavoured and non-flavoured ciders. We believe that maintaining this difference helps to safeguard traditional cider's valuable contribution to local heritage and agriculture. As I said a moment ago, there is also the small producers relief, which is a very important support for our smaller cider makers.

I recognise that the changes outlined at the Budget are significant, and we will continue to listen to the sector. I have heard the arguments that my hon. Friend has made, and I look forward to working with him and other colleagues on this matter.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): In the context of promoting high-quality cider in the spirt of this commendable debate, which was secured by my hon. Friend the Member for North Herefordshire (Bill Wiggin), would the Minister look at minimum unit pricing for drinks from a healthcare perspective? That would actually clear out and stop the production of dangerous white ciders, which are part of the problem that feeds alcoholism and alcohol dependence in this country. Would she take that suggestion away and look at it?

Helen Whately: I thank my hon. Friend for that point. I hate to pass the buck, but the question he asks about minimum pricing in shops and supermarkets—I was asked about this issue in correspondence recently—is a Home Office matter. From a Treasury point of view, and as he will have seen from the policies that I have been describing, our reforms to the alcohol duty system take a public health approach to changing the current system, in which higher-strength drinks sometimes enjoy a lower duty. We are moving to a system whereby higher-strength drinks will pay more duty, encouraging the production and, relatively, the consumption of lower-strength drinks, and therefore healthier options.

In conclusion, once-in-a-generation duty cuts, new incentives to grow and innovate, and a boost for pubs—our reforms spell exciting times for cider in this country. These steps will not only put more money in people's pockets, but encourage people to try new healthier and, may I say, delicious drinking choices. I am confident that together these measures will support our wonderful, traditional cider industry for many more years to come.

Question put and agreed to.

Food and Drink: UK Economy

4.36 pm

Geraint Davies (in the Chair): Before we begin, I remind hon. Members that they are expected to wear face coverings when they are not speaking in the debate, in line with current Government guidance and that of the House of Commons Commission. I remind Members that they are asked by the House to have a covid lateral flow test twice a week if coming on to the parliamentary estate. That can be done either at the testing centre in Portcullis House or at home. Please also give each other and members of staff space when seated, and when entering and leaving the room.

John Stevenson (Carlisle) (Con): I beg to move,

That this House has considered the contribution of food and drink to the UK economy.

It is a pleasure to serve under your chairmanship, Mr Davies. I am delighted that we have the opportunity to debate the importance of the food and drink sector for the UK economy. I also mention that I am the chair of the all-party parliamentary group for food and drink manufacturing.

During the pandemic, we rightly clapped and acknowledged the work and dedication of the medical staff, who did so much for the many people affected by covid. We rightly recognised the commitment of those who continued to work in supermarkets and the many drivers who ensured that the deliveries actually got through. However, there were many other unsung heroes in many different industries and sectors who also helped to ensure that our society continued to function and that life continued in a manageable way.

One such group was the food and drink manufacturing sector. Hon. Members may recall that, at the beginning of the crisis, there was some concern that our food shelves could become empty or the supply of food would be greatly reduced. The adage is that if there was no food available, it would not be long before there was a major crisis, panic buying and potentially something rather worse. That did not happen. Indeed, the factories, sometimes in very difficult circumstances, continued to produce the food and drink that we as a country needed. The deliveries continued to be made, the supermarkets were supplied, the shelves remained full and families continued to shop in the knowledge that there would be food to buy.

There was no panic buying, except—interestingly enough—of toilet roll and pasta, which to this day I do not understand. Nevertheless, that did seem to be something that exercised many people up and down the country, but even that was short-lived. We therefore have a lot to thank the food and drink sector for and, very importantly, all those who work in it. At the time, there was some recognition of their work, and clearly there was a greater awareness of the importance of the food and drink sector, of the vital need to ensure the supply of foods to shops, and of the overall significance of the sector to our society. In many respects, that awareness has sadly disappeared. I believe this is extremely unfortunate. We should be far more aware of the nature of the sector, how important it is, its many strengths, and also its weaknesses. This is about not just the basics in life, such as the supply of food, although that is extremely important, but the real and substantial contribution that the sector makes to our economy, both nationally and locally.

[John Stevenson]

I have a few statistics and facts about the sector. The food and drink sector is the largest manufacturing sector in the United Kingdom. I am amazed at the number of people who are surprised by that. They often think that pharmaceutical, automobile or aerospace would be the largest manufacturing sector, but in reality the food and drink sector is our leading manufacturer.

It has a turnover of more than £104 billion, representing 20% of all UK manufacturing. It contributes over £29 billion to the economy, and directly employs over 440,000 people and thousands more indirectly. Think of the many brands, a large number of which are iconic and international—the very best of British products. Exports exceed £23 billion, going to more than 220 countries and territories, with a huge potential for much more.

We should also be aware of the contribution the sector makes to the local economy. It is often a substantial local employer, which has a significant impact on the performance and growth of local economies, and offers employment and training opportunities to local people.

My constituency of Carlisle is a prime example. Nestlé employs 400 people. It is the largest food and drink company in the world, a significant exporter and a purchaser of much of the milk that is produced by local farmers. The 2 Sisters Food Group employs nearly 1,400 people, and if I were to have a ready-made meal from Marks & Spencer, it would probably have been produced in the factory in Carlisle. McVitie's, part of Pladis Global, employs nearly 800 people. Talking of brands, Carlisle produces the iconic Carr's water biscuits and, of course, 6 million custard creams every single day.

These businesses make a huge contribution to the Carlisle economy and the wider regional economy. Think of the spending impact that 2,500 directly employed staff have on the local economy, and those are just the larger employers, as these figures do not include the many smaller businesses.

Indeed, the sector as a whole is incredibly diverse, with over 10,000 manufacturing businesses, most of which are small and medium-sized enterprises. In reality, there are very few large players, which can be both a strength and a weakness for the sector. It means it is a dynamic sector, with much innovation, but at times it also means that the voice of the sector is not heard as much as it should be.

Sir Greg Knight (East Yorkshire) (Con): I congratulate my hon. Friend on securing this important debate. He is making some very interesting points, but does he agree that one of the problems the sector has had in recent times is labour shortages? They do not just affect the retail end of the sector, but the farm gate, with many pig farmers, for example, suffering from a lack of qualified abattoir workmen. Is this not something that needs to be addressed?

John Stevenson: My right hon. Friend is absolutely right. Indeed, I will come to that later in my speech, but he has picked up one of the key issues that relates to the sector at the moment, and that extends beyond the food and drink sector, which I fully acknowledge.

The sector can be dynamic, but sometimes the voice of the sector is not heard as much as it should be. This can be a drawback, and something of which the Government should be acutely aware. Just because it does not have the loudest voice, is not the most glamorous sector and does not have a few substantial players with easy access to Government, it is still vital that the industry's concerns are heard at the very highest level of Government.

I have talked about the economic importance, but I am fully aware of the health issues surrounding this sector as well. I appreciate that we, as a society, have become concerned about obesity and health, and rightly so. To be fair, the industry gets this and is aware of the criticism that is often directed, rightly or wrongly, at them, partly because of their products. However, the issues do not wholly lie with the industry. Indeed, the industry has made huge strides in producing many new products that are healthier and reformulating existing products, and substantial reductions in salt and sugar have helped to improve many of the products.

New products that have been brought to the market often reflect consumers' interest in these healthier products. I must, therefore, question just how useful schedule 17 to the recent Health and Care Bill will be. The industry is already working hard to improve its products, it co-operates fully with the Government and is receptive to change. However, as a society, we must be realistic and look for other solutions to obesity concerns. We cannot and should not overlook our personal and parental responsibilities. I suspect that the provisions of schedule 17 are unlikely to produce any real improvement, as some people anticipate.

The purpose of this debate is primarily to raise awareness of and the success of the food and drink manufacturing sector, its contribution to our country, what the Government can do to support it, and the challenges it faces in future.

Sir John Hayes (South Holland and The Deepings) (Con): I congratulate my hon. Friend, as has already been said. I know he is a great champion of the British food industry. There is something very straightforward that Government could do: they could ensure that public sector purchasing—the procurement of food—prioritised and favoured domestic produce. We make some wonderful things in this country, yet we continue to import far too much food. That would add to traceability, food security and, frankly, simply back Britain. The Government should buy British, and I hope the Minister will confirm that that is exactly what they intend to do.

John Stevenson: I very much agree. The two key parts of Government policy in terms of security are energy security and food security. At present, we probably import more food than we should.

I want gently to challenge the Government on some of their attitudes and thinking towards this sector. First, what will the Government do to help promote the sector domestically and internationally?

James Daly (Bury North) (Con): I am sorry to interrupt my hon. Friend, who is making an excellent speech. One of the sectors in the food economy that concerns me is fishing. As my right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes)

said, in this country we do not buy our own produce. How can we encourage people in this country to buy the brilliant seafood we produce all round the coastline, so that it is not reliant on a foreign market?

John Stevenson: I am interested to hear what the Minister has to say on that point. How can the Government help our industry both domestically and by creating greater opportunities in the export market? We need to continue to see the success of the industry and exploit the opportunities in both our domestic market, as my hon. Friend the Member for Bury North (James Daly) just said, and in exports.

The development of new products, the competitiveness of the sector and the opportunity to export are vital to our country. However, there is sometimes a feeling that other countries promote this sector far better than we do. I am interested to hear what plans the Minister has to improve that.

The Minister knows that hers is a sponsoring Department for the food and drink sector. Therefore, will the Department with such responsibility challenge in a more constructive way some of the unreasonable pressures that sometimes emerge from the health lobby? As I said, the sector has made great strides on the health issue and does work with Government. Everybody accepts that more needs to be done, but a realistic approach is fundamental.

The supply chain is critical to all industries and the food and drink sector is no different. The appointment of Sir David Lewis as the new supply chain adviser is welcome. I know that the Food and Drink Federation will fully engage with the new supply chain advisory group. It is an outstanding advocate for the industry that works well with Ministers. I am sure the Minister will comment on that in her remarks.

None the less, there are concerns about the supply of food and the inflationary pressures in the supply chain. Those will undoubtedly have an impact on the consumer in due course. That leads on to issues surrounding our trading relationship with the EU. There are concerns about the border controls on exports, but also the very real issue of shortage of appropriate labour. As we know, there is a shortage of HGV drivers, farm workers and factory workers. I can easily give local examples of the firms I have already mentioned and the issues they have with securing employment. We also have pressures in the tourist industry, which compounds the problem in places such as Cumbria.

Nigel Mills (Amber Valley) (Con): I agree with my hon. Friend on this point: the shortage of labour is a real problem for employers in my constituency at this time of year, as they are quite busy in the run-up to Christmas. Does he agree that the industry needs help to increase its productivity and invest in the new machinery that it needs, and that in the short term it probably needs some access to additional labour to help it produce the products that we all want to see in the shops?

John Stevenson: I very much agree with my hon. Friend; it is about striking a balance between the two. Clearly, at this moment in time there is a shortage of labour, and the industry needs to secure that labour if at all possible. However, I think the industry itself would accept that driving productivity is equally important, and that through productivity it can quite often end up needing fewer employees while being a much more productive sector. My hon. Friend will know from our visits to factories that the food and drink sector is an incredibly innovative and productive sector overall. It is therefore vital that industry and Government work together, so I would be interested to know what actions the Government are taking on the issues I have already mentioned.

As I have already said, the food and drink sector is a hugely important part of our economy. It employs a large number of people and contributes significantly to our economy, but there is the danger that the Government add more and more cost and regulation, which endangers its success. A small but significant example is the definition of "small and medium-sized enterprise" in the Health and Social Care Bill, which could have a huge impact on UK businesses and give a competitive advantage to foreign competition.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend on securing the debate. One area in which I am sure much of the UK food and drink industry would welcome greater support from Government is that of honest food labelling. As it stands, food could be farmed in Argentina or elsewhere overseas, but packaged in the UK and still labelled as UK produce. Does he agree that the Government need to look at that area, so that we can back British farmers and British food producers more effectively and make sure we have informed consumers who can back our food producers in the shops?

John Stevenson: My hon. Friend makes a valid point. Interestingly, food labelling could potentially give us an advantage as a country when selling those products: the UK label, the Union Jack, has great resonance with many overseas consumers as well as our own domestic consumers.

On the cost and regulatory side, we also have the prospect of the extended producer responsibility. The sentiment behind it may be sensible, but the additional cost to the industry will potentially have serious consequences. Have the Government fully thought through the very real cost implications? I appreciate that the relevant primary legislation, the Environment Act 2021, has already passed, but it is the secondary legislation that will determine the detail. As the Minister will know, the industry is concerned about the scope, timescale and implementation of those regulations. It believes that the costs have already risen and could reach £2.7 billion for the industry, which will inevitably be passed on to the consumer. Indeed, it is estimated that each household will face a £75 increase in its annual food bill. Is that something that the Government are happy with? If not, will they work with the industry—particularly, as I have already mentioned, the FDF—to ensure that the regulation and costs are proportionate, and that the industry can absorb them without losing its competitiveness? If it cannot, there is a real danger that the regulations could backfire and be detrimental to an important sector of our economy.

In conclusion, I look forward to hearing from the Minister on the specific points I have raised. I look forward to her comments on how she intends to properly and fully support what is one of the unsung successful sectors of our country, but also one of the most important,

[John Stevenson]

as has been conclusively demonstrated during the pandemic through the industry's performance in making sure that we continue to be fed at a very difficult time. I also hope that the Minister and her Department will fully recognise the importance of this sector, celebrate its successes, and truly be a champion of the industry.

Several hon. Members *rose—*

Geraint Davies (in the Chair): Order. I call James Daly first, as not everybody had previously indicated that they wished to speak, but we will make a note.

4.54 pm

James Daly (Bury North) (Con): I congratulate my hon. Friend the Member for Carlisle (John Stevenson) on securing this debate on what is a very important issue. The debate has a very wide scope, and we could talk for many hours on the subject, but I want to talk about the interconnectivity between the food and drink industry and the market in this country—how we can ensure that suppliers of food and drink, big or small, local or national, have the best possible conditions for people to buy what they produce. I am meeting a little business on Friday that works in the production of gin. How are we going to ensure that it is competitive—that the markets are there for people to buy that product?

I am passionate—I do not think this is a secret—about pubs. Perhaps I should not frame it in that way. I have set up an all-party parliamentary group on tenanted pubs. One of the points that is directly linked to the argument put forward by my hon. Friend the Member for Carlisle, is that we cannot see the food and drink industry on its own; it is interconnected with so many different markets. Tenanted pubs are going through a very difficult period. They are the buyers of the meat from local farmers, the drinks from the suppliers I just mentioned. To allow the industry to flourish, as we all want it to, we have to support the market for it. That is pubs and restaurants—pubs in my constituency such as the Waggonmakers, the Dungeon and The Two Tubs, which just won my pub of the year competition.

Until we as a country consume the shellfish from the coast of Cornwall or the east coast around Bridlington, until we have those markets and create the campaign and market conditions where, as a matter of course, we are buying and making best use of the fantastic products we have throughout the country, then we will have failed. There is much to be done as a Parliament in championing British food. We have some real champions in this room. The small producers of quality produce and drinks require this Government to support them in any way possible. The Hearth of the Ram, a great pub in Ramsbottom, buys everything local. If we did not have it, there would be no market for local producers in my area.

Local, small producers are part of this debate, but I fully accept that the scale of the contribution that the food and drink sector makes to our economy should not be underestimated. As a native of Carlisle, I recognise a lot of what my hon. Friend the Member for Carlisle said. Two of my favourite places on earth, Carlisle and Bridlington, are represented in this room today. I am delighted to have taken part in this debate.

Geraint Davies (in the Chair): I will take the Front-Bench speakers at around a quarter past 5. I invite Navendu Mishra to contribute.

4.57 pm

Navendu Mishra (Stockport) (Lab): It is a pleasure to serve under your chairship, Mr Davies. I start by congratulating the hon. Member for Carlisle (John Stevenson) and thanking him for securing this important debate.

Although I am sure that Members from all parties will be keen to share details of the great local businesses in their own constituencies, I can truly assure everyone that none of them can quite compete with Stockport. We have a massive range of food and drink businesses in the constituency. From the vegan Hillgate Cakery in the heart of my town centre, run by Simon and Sarah, to Robinsons pubs, which stock some of the best beer in the country, Stockport boasts some of the best food and drink venues that the UK has to offer. Like the hon. Member for Carlisle, I also have a McVitie's biscuit factory in my constituency. It is part of the Pladis Group, which is one of the largest employers in my constituency.

The pandemic has put a significant strain on the hospitality industry, with the sector seeing one of the biggest economic declines of all sectors of the economy since the start of the pandemic, but the industry is resilient. Businesses have re-opened, adapted and transformed. However, the effects of covid-19 have exposed some shameful pre-pandemic trends.

The pub economy, part of the lifeblood of our country, has been particularly damaged. Between 2010 and 2020, Stockport lost 31% of its pubs. In the year 2019-20 alone, Stockport saw a reduction of 8%. That is in spite of the fact that it has been reported that the brewing and pub sector contributes £28 million to wages locally, employs over 1,400 people and contributes £26 million in taxes.

In today's debate, we celebrate the contribution of food and drink to our economy, but it also gives us an opportunity to reflect on and push for what needs to be done to protect and grow this important industry. Independent businesses need to be given assurances that they will be protected in the depressing situation that there may be another lockdown. Far more needs to be done to support local retailers in the face of growing online multinational markets. Equally, the Government need to legislate to ensure that all those working in the sector—all of them—earn the Living Wage Foundation's living wage, so that their work pays.

Any discussion about the contribution of food and drink to the UK economy must include the workers in the sector, who are sadly often overlooked. Workers in the food and drink industry, from those in manufacturing and production to those in the service sector, often work long and unsociable hours so that we can all enjoy ourselves. Since the pandemic, there has been a crisis in hospitality staff numbers. This is often attributed to a culture of harassment, burnout and poor pay. Research by the Union of Shop, Distributive and Allied Workers revealed than nine in 10 retail staff have been victims of abuse, threats or violence. That of course includes those working in the food and drink distribution sector. That is why I am backing the campaign to legislate to protect retail workers in the face of abuse.

Although the picture seems wholly bleak, sharing food and drink unites us and our communities. I was so proud the day Stockport gained the Purple Flag award in recognition of the excellent management of our town centre at night back in 2019. So much of that is due to our independent food and drink retailers. Their passion and drive to provide for the people of Stockport and all those who visit is truly inspiring. I encourage all Members to come and visit Stockport to see what our excellent food and drink businesses have to offer.

5.1 pm

Sir John Hayes (South Holland and The Deepings) (Con): I have only two points to make, and given that other Members want to contribute, I shall make them briefly.

First, I want to amplify the point I made about procurement. In my various roles as Government Minister —during which time, by the way, the Minister served as my Parliamentary Private Secretary—I attempted to persuade the six Government Departments that I served to buy British. It was a struggle throughout. I was usually told that it was because of some regulation—state aid rules were often cited. There was a reluctance on the part of the administration to even entertain the prospect of prioritising British products and services. This has to change. It is disadvantageous to our economy. It is, frankly, out of keeping with the expectations of our constituents. It is intolerable, as it lengthens the supply chain, with all the consequences that brings.

My hon. Friend the Member for Carlisle (John Stevenson), who very sensibly brought the debate to this Chamber, emphasised the issue of food security. He is right to say that there are other factors—air miles being one of them, as well as traceability and similar matters. Again, I urge the Minister to look at this matter closely. I have no doubt that she will face a struggle, but I know what her perspicacity, determination and assiduity look like from the time we spent together in government. I am confident that if any Minister can do this, it is her. I know that her heart is in the right place, as it is in respect of my second point—I promised to make only two points and am sure that people will be counting, so I had better stick to my promise.

Secondly, we must shorten the food chain. We have far too much food travelling immense distances across the country, with all kinds of consequences, not least those that I have just described: travel miles and traceability problems. We have got to get back to purchasing what is grown locally. I represent an area that might be described as the food basket of Britain. We produce immense amounts of foodstuffs in South Holland and the Deepings, both through the good work of primary producers—farmers and growers—and through the food sector itself. I have a number of food businesses located there.

Imagine the nonsense of growing a cauliflower in Holbeach, in my constituency, transporting it to some distant distribution centre miles away for it to be processed, whatever that means—it usually means being stuck on a piece of polystyrene and covered in plastic. It would then be sent back by truck to Holbeach to be sold in a supermarket yards from where it was grown. My parents would have regarded that as some sort of dystopian nightmare 50 years ago. It would have been the stuff of fiction, but fiction has become fact in our lifetimes. Are we prepared to sustain this? We certainly should not be if we have any sense.

Local production and shortening supply chains helps our own food sector and is also the right thing for local communities, because it sustains communities. We must build a kind of fraternal economics, if I can call it that—this will be dear to the heart of the shadow Minister, who agrees with me on so many things, to his great embarrassment, I suspect—that sustains a strong degree of social solidarity, because what we do economically has a huge effect on our sense of local purpose and pride and the connections between people.

We have to ask: what kind of future do we want? In asking that question, we must face these huge challenges of changing trends that have prevailed for the whole of my lifetime. There is no such thing as a predetermined course of history—that is a Whiggish nonsense. We must create a future better than the present. We can do that by ensuring that more food is consumed in the locality and country in which it is grown.

5.6 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): I have a lot of sympathy for the argument of the right hon. Member for South Holland and The Deepings (Sir John Hayes) about the shortening of the supply chain, as he called it, but I do not think that any of us should be in any doubt about the complexity of that task. This is essentially about the transport around the country of goods. He mentioned cauliflower. From my family perspective, I come from and was raised in a meat-producing community. The consolidation of abattoirs into large central points is part of that whole process. That did not happen by accident; it was a consequence of the dominance of the supermarkets as the customers for food production in this country. Until we tackle that and level the playing field between the producers and the supermarkets—in that regard, we need to get a serious grip and give proper powers to the Groceries Code Adjudicator—nothing in that respect will change.

Sir John Hayes: I will be very brief. The right hon. Gentleman makes an excellent point. I served with him in Government when he was a member of the Cabinet and I attended it. He was a very good Secretary of State, by the way. Is one allowed to say that? I suppose one is. He is absolutely right. We need to back small retailers and face down the huge power of the supermarkets, which frankly sell short their suppliers and bemuse, befuddle and make immense profits out of the people who shop in them.

Mr Carmichael: I am grateful to the right hon. Gentleman. I essentially agree with his analysis. Since I am talking about producers, I should perhaps have reminded the House at the start of my contribution of my entry in the Register of Members' Financial Interests. I am an unremunerated partner in my family firm in Islay—I am one of the few people who seem to have found a second job that actually costs them money, rather than bringing it in.

To our local economies in Orkney and Shetland, food and drink production is absolutely critical and essential. Orkney has Orkney beef and Orkney lamb, and Shetland has Shetland lamb. Shetland is one of the largest and finest seafood-producing ports in the country, producing Shetland shellfish, as well as our substantial and very valuable aquaculture industry, which produces salmon in particular. It has been fascinating to see that grow

[Mr Carmichael]

over the years. When I was first elected in 2001, we had one and a half whisky distilleries—one full time, one part time—and two breweries. Twenty years later, we have two full-time distilleries, four breweries and four gin distilleries. Lest there be any doubt, I do not take single-handed credit for that growth, contrary to popular belief. We also see the way in which that growth brings with it myriad small artisan producers—people adding value to local produce, which is critical to the success of our local economy.

Indeed, it does not stand on its own; as a consequence of the quality of local food produce in Orkney and Shetland, we have seen a significant growth in the visitor economy, because being able to offer good-quality local produce is enormously attractive to those who wish to visit the isles. I often feel, however, that somehow or other that growth has been achieved despite rather than because of Government intervention. Orkney, which is one of the best suckler beef-producing counties in the country, has seen its abattoir regulated out of existence.

At the moment, we have a consultation from the Scottish Government about the transportation of live animals by sea. If the proposals under consultation were to go ahead, we would see a massive reduction in the number of days on which we could ship cattle off the islands. The way in which cattle are shipped from Orkney and Shetland is in cassettes. It was designed by local farmers along with Ministry vets and the shipping companies some 20 years ago, and is there as the gold standard in animal transportation for all to see, but that consultation, were it to be followed through by the SNP-Green Administration in Edinburgh, would be an existential threat to agriculture in the northern isles.

I will touch briefly on protected geographical indications. The conclusion recently of the Norway, Iceland and Liechtenstein deals—an interesting triumvirate—is causing concern among many food producers. The absence of protection for PGIs, which are very important to us in the northern isles, for our export markets is causing concern. It may not be massively important in those three deals, but the danger is always that, if we allow a provision in one deal, those who come along the line later on will want to follow.

Time is against me. I am grateful for the opportunity to contribute to the debate. This is, for us all, an enormously important industry. For communities such as mine, however, it goes beyond important; it is vital to our future.

5.12 pm

Jim Shannon (Strangford) (DUP): Thank you, Mr Davies, for letting me speak. I too thank the hon. Member for Carlisle (John Stevenson) for setting the scene on a subject that every one of us takes a great interest in. I am pleased to see the shadow Minister, the hon. Member for Cambridge (Daniel Zeichner), in his place. I am also pleased to see the Minister back in Westminster Hall; we seem to be here quite often—this is two days in a row—but, again, this is something we are both interested in. I was intrigued by the introduction from the hon. Member for Carlisle. He mentioned some of the products. I have to say that, in my house, not just for me but for my grandchildren, custard creams are top of the tree when it comes to biscuits. I usually dunk them in tea, but the children just eat them by the score. The more packets I bring in, the more they eat, so I think we are keeping the custard cream sector going in my constituency.

There has been much emphasis today on the creation of a more resilient food and drink system across the United Kingdom, especially after the consequences of the pandemic. The hospitality sector in particular has suffered incredible financial and personal losses. I know that that is nobody's fault, by the way. It is not the Government's fault; it was the pandemic, and the changes that it made, but it has affected the food and drink sector, especially the EU-UK economy.

In addition to the pandemic, other factors have had a negative impact on the food and drink industry, such as Brexit. The Northern Ireland protocol has had an horrendous impact on us in trying to get our products out and back in again. Our biggest trading partner is the UK mainland. The UK Food and Drink Federation says that the UK has lost over £2 billion in sales. We have been proven to be heavily reliant on the EU in the past in relation to food and drink; 28% of our food supplies come from the EU, and the UK's ratio of food production to supply has dropped by 10% since the 1990s.

Northern Ireland food and drink is worth £5 billion per year. In 2019, just before the pandemic came in at the end of the year, we had an increase in Northern Ireland of 4% on the year before, to £5.77 billion, and some 25,000 jobs. Therefore, when it comes to the Northern Ireland economy, and particularly that of my constituency, the food and drink sector is massively important.

The UK food and drink sector involves 440,000 people, has a turnover of £104 billion and accounts for 20% of total UK manufacturing. I know that the Minister is well aware of the Red Tractor labelling, which was a proactive move by the Government that I was happy to support. I always like to see the Union flag on labels, not just because I am a Unionist but because it is my country and I am proud of it. I am proud of my Union flag and want to see it shown wherever it can be. We must, however, set some goals for the hospitality sector to regain what has been lost in the past year.

In 2019, UK food and drink exports exceeded all expectations, going to 220 countries worldwide. That was truly brilliant in trade. We should be proud of what we have done and, now that we are out of the EU, look to where that extra business is going to happen. In Northern Ireland, Brexit and the pandemic have led to a greater focus in the industry to ensure that, if something similar happened, we would be in a better position to respond. I believe that we can do so.

Sir Greg Knight: Does the hon. Member agree that, now that we are out of the EU, we can properly address issues such as deficiencies in food labelling?

Jim Shannon: I absolutely agree with the right hon. Gentleman. We are in a better position for that to happen.

A more localised approach to food production would be beneficial to our systems. On how we can do it better together here and in Northern Ireland, Scotland and Wales, Mash Direct, a company in my constituency, does significant work in the Strangford community and beyond, delivering to the UK mainland, the EU and the middle east.

I want to give right hon. and hon. Members a culinary experience of Strangford. We are lucky to have Lakeland Dairies, which produces some of the best milk in the world because the grass is sweeter—the Park Plaza hotel just across the way has its wee milk sachets to go in a coffee, so they have made it here. For the main course, there is the beef, lamb, pork or chicken from my constituency. It is not just that—alongside, you can have Mash Direct's products, Willowbrook Foods' products and Rich Sauces. You can have Portavogie prawns and Comber potatoes, which are both protected under the EU, and you can finish the meal with Glastry Farm ice cream. That is another company in my constituency that has done extremely well in food and drink. Then there is Rademon gin and Echlinville whiskey, local beers and all the cheeses you can have to finish up. Right hon. and hon. Members who want a culinary experience should come to Strangford because it has got everything. They could not go to any better place for a restaurant or a menu. All those things are in my constituency.

The importance of the hospitality sector goes beyond turnover. Our exports make a key contribution to overall industry growth. Greater understanding of industry performance often depends on Government reporting. I am confident that the Minister well understands the importance of that for us in Strangford and indeed for the whole of the United Kingdom.

Let us see all regions of the United Kingdom of Great Britain and Northern Ireland work and sell together across the world. I believe that the world is our oyster for selling things now that Brexit has been undertaken. Perhaps it is not entirely the same for us in Northern Ireland as it is for the rest of the UK, but we hope that we will shortly overcome that. We should grasp the opportunities for food and drink sales with both hands.

5.19 pm

Dave Doogan (Angus) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I thank the hon. Member for Carlisle (John Stevenson) for calling the debate. Going to Strangford for the ultimate British Isles culinary experience? Well, we will see about that in the course of the next five minutes.

It is a pleasure to sum up the debate. We sometimes get those calls from the Whips where they rhetorically ask whether we would mind going to Westminster Hall to sum up a debate on anything from synthetic fuels to the shape of clouds, but this one is a shootie-in for a Scottish MP, much less the MP for Angus. I like to explain to English colleagues that if Kent is the garden of England, Angus is very much the garden of Scotland, and it is in that context that I will sum up.

Food and drink manufacturing is the largest manufacturing sector in the UK. I am grateful to the hon. Member for Carlisle, who secured the debate, for highlighting that point, because it is often lost in the noise of other, more prominent industries. There is a footprint of food manufacturing and production in every single constituency across these islands, and the sector contributes more than £120 billion to the UK economy. If that sounds good for the UK, we have bells on it in Scotland, because exports of Scottish food and drink make a vital contribution not only of many billions to the Scottish economy but therefore, for the time being, to the UK economy.

We export to countries worldwide: Scotland, with 8.2% of the UK population, delivers almost 20% of the food and drink exports—doing the heavy lifting once again. It is little wonder, with iconic produce such as Scotch lamb, Aberdeen Angus beef and Scotch whisky. I could go on—*[Interruption.]* You want me to go on, Mr Davies? Okay. I will add to that list Irn-Bru, haggis, shortbread, smoked salmon, porridge, Scotch broth and steak pie, and let us not forget that the iconic Skull Crushers sweets were invented in Scotland.

That is just Scotland's produce, and I have not started on Angus—specifically our world-famous Arbroath smokies, of which I know the Minister is a fan, and the supreme champion of savoury pastries, the Forfar bridie. Looking around Westminster Hall this afternoon, I see a lot of potential Marks & Spencer customers, so let me assure them that their summertime Red Diamond strawberries from Markies come from Angus too, because Angus is the leading soft fruit producer across these islands—*[Laughter.]* That is uncontroversial.

Scotland delivers 80% of the valuable seed potato sector, and Angus is at the forefront of that, which is why McCain has its Pugeston facility in Angus. On the drinks side, to name just a few, we have Ogilvy vodka, made from potatoes in Charleston; the Gin Bothy up the road in Glamis; the Glencadam distillery in Brechin; and the Arbikie Highland Estate distillery at Lunan, not far from Lunan Bay Farm, which produces Scottish asparagus and pasture-fed goat meat just down the road from the lobsters landed at Ferryden. If anybody is looking for directions to Angus, I can provide them after the debate.

So it is all well and good, then? No, I am afraid it is not. Remember that seed potato sector? Thanks to the UK's hard Brexit, the sector has lost not only its European Union market access, but its Northern Ireland market access. The hon. Member for Strangford (Jim Shannon) can no longer buy seed potatoes from Angus, and that is much to be regretted at both ends of the transaction. Neither can his farmers take their bulls to Stirling to be sold any more, because if they do not sell, farmers will have to pay to keep them there because they cannot take them home as they used to.

The jute sacks that seed potatoes need, which are imported from India and Bangladesh, were tariff-free while we were in the EU, but now they come with tariffs. That is a matter for the Department for International Trade to intervene on, but it seems unable or unwilling to do so. Similarly, I have asked the Foreign, Commonwealth and Development Office to intervene, along with the Department for Environment, Food and Rural Affairs and the Department for International Trade, on the proscription of pork exports to China—I know the Minister is aware of this—from the Brechin pork processing plant in Angus, and they are unable to help with that either.

It is interesting listening to right hon. and hon. Members today. If *Hansard* were to do a Wordle of today's debate, the big word in the middle would be "labour". There can be no doubt about the crippling labour shortages and how they threaten to undermine the great strides made in market development—*[Interruption.]*

Geraint Davies (in the Chair): Order. We need to suspend for Divisions.

5.23 pm

Sitting suspended for Divisions in the House.

5.48 pm

On resuming—

Geraint Davies (in the Chair): Right—I have had my Angus steak. Dave Doogan, to finish off.

Dave Doogan: Thank you, Mr Davies. Before we were interrupted, I was talking about the crippling labour shortages that threaten to undermine the great strides made in the market development and process efficiencies of the food production sectors.

Industry experts are being undone by Whitehall Departments and Ministers with little knowledge of, much less regard for, this industry, although I would not apply that to the current Minister, who will be answering today and—in my estimation, at least—gets the industry and has its best interests at heart. However, she is part of an Executive who are putting substantial problems in front of the industry.

In closing, I will mention the Home Office, with its arbitrary £30,000 figure, which has deliberately made it as difficult as possible for the industry to access those figures. The United Kingdom Internal Market Act 2020 is an extremely problematic piece of legislation, which does nothing to enhance the devolution settlement or relationships between the industries north and south of the border. I met with the National Farmers Union of Scotland this morning, which described a perfect storm coming down the road, and we need to protect this valuable industry at all costs.

5.49 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Mr Davies. I congratulate the hon. Member for Carlisle (John Stevenson) not just on bringing the debate but on introducing it in a very informative way. I will not repeat the good points he made about the success of the sector. It has been a remarkably wide-ranging debate, from tenanted pubs, to Strangford, to whisky in Scotland—and who could forget the invitation to Angus, which I am sure we will all be taking up?

It has been a remarkable achievement of the sector to maintain the reliable availability of food and drink at prices that most can afford 24/7, 365 days a year. There is much to be proud of, but it has been a tough time. I am grateful to many in the supply chain who speak to me regularly, particularly the Food and Drink Federation in the context of today, but the story over the last 18 months is a mixed bag. I want to particularly focus my comments on those who work in the sector and pick up some of the points made by my hon. Friend the Member for Stockport (Navendu Mishra).

At the retail end, the violence and abuse that shopworkers face has been highlighted by the Union of Shop, Distributive and Allied Workers. Sadly, I see it in my own city. I pay tribute to the Co-op stores in my city and particularly to PC Matthews—or EJ, as she is known—because they have made a huge difference in cracking down on some of this abuse. People should not face abuse when they are at work.

It is not just the retail sector; as we go down the chain, there is the processing sector. Far too many people are working on contract and too many are on poor wages in shared accommodation—frankly, there is a real covid risk there. Sadly, I am told by the GMB that some employers that introduced more flexible approaches during the pandemic have been pulling back from some of those. That is really dangerous for all of us. We cannot have people going to work because they cannot afford to isolate. With omicron upon us, may I ask the Minister what plans she and her colleagues have to tackle the sick pay issue once and for all? Some employers have behaved well, but others have not and we need the Government to act on that.

I am also grateful to the Bakers, Food and Allied Workers' Union for highlighting the sad issue of low pay in the sector, which means that some are not able to afford the very products that they produce, because of their low wages. In a survey, it found that 40% had reported not being able to afford food on some occasions, which is shocking.

I pay tribute to my hon. Friend the Member for Liverpool, West Derby (Ian Byrne), who has been highlighting this scandal through the Right to Food campaign. The campaign has launched a study to look at the impact of food poverty within the food sector, and I commend my hon. Friend for that, but what are the Government doing? Can the Minister tell me what she is doing to tackle low pay and insecurity within the sector? What analysis has her Department done?

That leads me to the point made by a number of hon. Members about labour shortages in the sector. We all know the problems, but I ask the Minister on behalf of many: when are we going to have some clarity on the seasonal worker pilot scheme for next year? Producers really need to know. One operator told me recently that in some farms up to 35% of edible crops were wasted last year, as a direct result of these shortages. These points were raised effectively earlier in the debate.

What about ornamentals? Does the Minister really want almost 300 million daffodils wasted again next year? There are also the points made about the pig sector. The figures that I heard, yesterday, were an on-farm cull of 16,000, but we know that actually the figure is sadly likely to be much higher. How many of the pork butchers that were promised have arrived? How much has gone into private storage so far? I fear that the answer may well be none and none.

We also need to look at the wider supply chain issues. Lots of points have been made about the resilience of our food supply. The right hon. Member for South Holland and The Deepings (Sir John Hayes), who is no longer present, made a point about shorter supply chains being necessary. We know that under the Agriculture Act 2020, the Government are bound to produce a report on food security by the end of the Session. That is within two weeks.

Victoria Prentis *indicated assent.*

Daniel Zeichner: I see the Minister nodding. I wonder whether she could tip us off about when we might expect that.

We also need fairness within the supply chain. We have heard about the power of the retailers, and the imbalance of power. What we are seeing at the moment, I fear, is that although consumers may be benefiting

from the price competition between retailers, they are just pushing the pressure down the supply chain harder and harder, which is not sustainable. Perhaps she could tell us something about where the Government have got to on those supply chain contracts, and on dairy contracts, the consultation on which was, of course, a while ago. She may need the opportunity to once again comment on competition laws, and suspension and relaxation, which has happened a number of times.

In the interest of time, I will not make any further points on farming and environmental land management, but we are hoping for some more information soon. Finally, I praise and thank all those in the British food and drink sector. We are fortunate to have a sector that can produce food to such good standards and to such excellent quality, and we cherish it. That is why we want a plan from the Government. We have repeatedly called on the Government to produce a plan for the sector: a plan for food, a plan to get to net zero and a plan to buy British. If the right hon. Member for South Holland and The Deepings were here now, I would tell him, "There is a party that will do that!", if he is dissatisfied with his own side. We want to get to a situation where people can buy our food with confidence as part of that strategy, but that strategy must also improve conditions for the workers throughout the sector who have given so much. There is plenty to celebrate, but much to be done.

Geraint Davies (in the Chair): Over to you, Victoria Prentis. We need to end at 6.5 pm.

5.55 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Victoria Prentis): Thank you very much, Mr Davies. I am sorry you have had to cope with so many interruptions for votes during the debate. I join everyone in thanking my hon. Friend the Member for Carlisle (John Stevenson) for organising such a fantastic opportunity to talk about food and drink, which is obviously my favourite subject. I will now refer to him as the hon. Member for custard creams, which is how I will forever think of him. He made a thoughtful and serious contribution, and I will do my best to answer as many of his points as I can.

We have had a bit of a pub crawl around the nation, and I look forward to being bought a drink in The Two Tubs. However, my hon. Friend the Member for Bury North (James Daly) also made some serious points about the consumption of British fish, which is something we are working very hard on with Seafish. I will definitely discuss that matter with him outside this debate, because it is something I feel passionately about.

From Stockport, we heard more about beer, but also a serious point about the unsocial hours and sometimes difficult conditions in which hospitality workers, in particular, have to work—a useful contribution from the hon. Member for Stockport (Navendu Mishra). We heard from Shetland, where we can get our chaser of whisky and gin, and where there are many small artisan producers. I have enjoyed working with the right hon. Member for Orkney and Shetland (Mr Carmichael) on some of the difficulties that we have been able to overcome, by and large, for his fish exporters; we will continue to do so. We also had a culinary experience of Strangford, which was an extension of the experience of the fish of Strangford that we had yesterday—although very little can beat a smokie from Angus.

The food and drink sector is a vital part of our economy; it is our largest manufacturing sector, and I certainly think about it many more than three times a day. This is a very exciting time for food. We are preparing for the publication of the Government's food strategy early next year. However, in the meantime, before the end of this Session—on or before 16 December—we will publish our analysis of statistical data. That may not sound exciting, but it is a large and serious piece of work that will be used to inform the Government's food strategy going forward. There is a plan and it is being developed; I will not pretend in any way that the strategy we publish next year will be the end of the plan, but it will include many of the solutions that we need for this important sector.

I pay tribute to Ian Wright, whose retirement do is later tonight, for all the Food and Drink Federation's superb collaborative work with Government. Ian took the helm of the Food and Drink Federation in 2015; he has represented the industry with knowledge, passion and enthusiasm through Brexit and covid. He has also overseen a major overhaul of that organisation, and I salute him.

Many Members have commented on food supply chains. We have all thought a great deal about food supply chains in the last 18 months. We know that the most effective response to food supply disruption is industry led, but I firmly believe that Government also need to provide appropriate support and relaxation of rules, as the hon. Member for Cambridge (Daniel Zeichner) mentioned, when appropriate. One of the most helpful things we did early on during the pandemic was to relax drivers' hours and extend supermarket delivery hours.

We all know that labour is a major challenge across the industry as we have a very tight labour market. We are working closely with the Home Office to introduce temporary visa solutions: for example, for poultry workers before Christmas, ensuring that turkeys will be on the table; and for butchers, as my right hon. Friend the Member for East Yorkshire (Sir Greg Knight) alluded to. Other mitigations for the pig sector include the slaughter incentive payment scheme and the private storage aid scheme.

On dairy, yes, we consulted, and one of my first acts when I joined DEFRA was to ensure that we did that work on the dairy supply chain. That is coming to fruition, and I thank all dairy farmers involved in that work. It has been a difficult and sensitive piece of work. I hope that we will be in a position to regulate next year, and pigs are definitely next on the list in terms of supply chains. Sir David Lewis has been mentioned, and I thank him for his work on the new supply chain advisory group and the new industry taskforce, which will look to pre-empt future issues. There will be clarity on the seasonal agricultural workers scheme very shortly.

Tackling obesity is a priority for the Government. Some 64% of adults are classed as obese and for children in year 6, the figure is 40%. The strategy was set out in July by the Department of Health and Social Care. We have ensured that some of the more stringent requirements do not apply to smaller retailers, and it is important that we continue to bring industry with us when making these changes—some useful points were made on that.

Every area of the UK has drawn on the local ingredients they produce, often because of a particular place, climatic conditions or type of ground, to make distinctive drinks

[Victoria Prentis]

and dishes. We are working hard to expand abroad. We aim to secure free trade agreements with countries, covering 80% of our trade within the next three years. We are very ambitious for this sector. We have heard figures of £23.6 billion in 2019. We have taken some recent action, including setting up the food export council and the new agri-food councillors. There were announcements on that yesterday, and I had a meeting with the Paymaster General at lunch today to discuss the issue with people in the industry. It is very exciting.

My right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) mentioned Government procurement. I agree that it is very important. We have not refreshed the Government buying standards on food since 2014; now is definitely the time to do so. We are consulting on that at the moment. I hope that I can repay his faith in me as his willing PPS for doing this. We will definitely place a greater emphasis on local, seasonal and sustainable produce in the new procurement rules.

On extended producer responsibility, our proposals are trying to shift the payment for excess packaging waste from local taxpayers to businesses. The analysis indicates that that will not push up consumer prices, but I accept that further work needs to be done to ensure that that really is the case, and it is important that we continue to work on this issue as we prepare the statutory instruments.

In short, the Government are totally committed to maximising real opportunities for our vital food and drink sector across all parts of our nations. And I don't know about you, Mr Davies, but I am getting hungry.

Geraint Davies (in the Chair): Hungry for John Stevenson to wind up—we need to end by 6.5 pm.

6.3 pm

John Stevenson: I thank hon. Members for participating in this debate. I have often said that this industry affects us nationally, but equally importantly it affects us at the local level. As individual constituency MPs, we all know that the food and drink sector has an impact in virtually every constituency up and down the country, which was demonstrated by the contributions that people have made today.

I am grateful to the Minister for her speech at the end of the debate and for the comments that she made. I look forward to challenging her on some of the issues that we touched on and to maybe having further conversations with her. But as I say, I thank her for her contribution to the debate and I will pass on her good wishes to Ian Wright, who I will hopefully see very shortly as he departs from the FDF. I think he has been a great advocate for the food and drink sector, and I am sure that his successor will continue the good work that he has done.

Question put and agreed to.

Resolved,

That this House has considered the contribution of food and drink to the UK economy.

6.4 pm

Sitting adjourned.

Written Statements

Wednesday 1 December 2021

EDUCATION

Initial Teacher Training

The Minister for School Standards (Mr Robin Walker): Today, I am announcing the publication of the Government's response to the Initial Teacher Training Market Review report.

The ITT Market Review report was published in July 2021. The report draws on a strong evidence base and best practice examples to support its 14 recommendations for improving and delivering high-quality teacher training. After its publication, we held a public consultation and stakeholder engagement programme on the review recommendations to ask for input from ITT providers, schools, teachers and interested bodies. This engagement has been crucial in informing the detail of the Government's response to the review.

The Government response to the ITT Market Review report sets out our plans for a new ITT market. These plans are based on many of the review's recommendations and the best available evidence on the features of world-class training.

Our reforms to the ITT market will deliver consistently high-quality training so that all teachers begin their careers with the knowledge and skills they need to be effective in the classroom. The reforms establish a new set of quality requirements for all ITT programmes that lead to qualified teacher status. These will ensure that all ITT providers offer:

an evidence-based training curriculum that, at a minimum, applies the principles of the ITT core content framework;

intensive training and practice opportunities to students;

a lead mentor or mentor leadership team to support trainees, with all mentors themselves offered a training curriculum.

When formulating our response, we have fully considered all views and feedback from the consultation and wider stakeholder engagement. While we want the reforms set out in the response implemented as soon as possible, we have listened to the sector and understand that, to ensure success, we need to give schools and ITT providers reasonable time to prepare for implementation. We have therefore decided to extend the implementation timeline by one year, meaning that all ITT programmes leading to QTS will need to comply with the new ITT quality requirements from September 2024.

Most of the recommendations proposed in the ITT Market Review have been accepted with some amendments and clarifications based on the feedback received. These amendments include funding to support mentoring requirements, reducing some of the proposed minimum time allocations and giving providers more flexibility in how they deliver the new intensive placement.

We have also accepted the review recommendation of an accreditation process that will require ITT providers to demonstrate that they meet the quality requirements. An accreditation process is necessary to ensure that all providers are treated fairly and that both new and existing providers meet the new requirements.

We will provide funding to support the implementation of these and further measures outlined in the Government response in 2024-25. Additional funding will be subject to future spending review outcomes.

The Government are committed to levelling up education standards to help every child reach their full potential. Brilliant teachers are central to this ambition, which is why we are creating a world-class teacher development system, providing teachers and school leaders with evidence-based training and support at every stage of their career.

[HCWS434]

HEALTH AND SOCIAL CARE

HIV Action Plan

The Secretary of State for Health and Social Care (Sajid Javid): The government are committed to achieving zero new HIV infections and AIDS and HIV-related deaths in England by 2030. Today I am pleased to announce the publication of a new action plan which will drive forward progress towards delivering on this commitment and sets out how we will achieve our interim ambition of an 80% reduction in new infections by 2025. To support this, NHS England and NHS Improvement will expand opt-out testing in emergency departments in the highest prevalence local authority areas, a proven effective way to identify new cases, and will invest £20 million over the next three years to support this activity. It is timely that we publish our plan shortly ahead of World AIDS Day to underline again our commitment to tackling HIV, show our support for people living with HIV and remember those we have lost to AIDS.

The reduction in HIV transmission in England is a success story. There was a 35% reduction in new HIV diagnoses in England between 2014 and 2019. In 2019 an estimated 94% of people living with HIV had been diagnosed, 98% of those diagnosed were on treatment, and 97% of those on treatment had an undetectable viral load, meaning they cannot pass on the infection.

However, our ambitions are highly stretching and will require a doubling down on existing efforts and the adoption of new strategies to ensure we reach everyone we need to. We will need to maintain the excellent progress made with key groups—gay and bisexual men, younger adults, those in London—and significantly improve diagnoses for other groups. To achieve this, the HIV action plan sets out how we will ensure that partners across the health system and beyond maintain and intensify partnership working around four core themes, prevent, test, treat and retain. We will enhance, expand and bring together single elements of evidence-based HIV prevention activities into a comprehensive combination prevention programme. Components include preventing people from acquiring HIV, ensuring those who acquire HIV are diagnosed promptly, preventing onward transmission from those with diagnosed infection and delivering interventions which aim to improve the health and quality of life of people with HIV.

A national HIV Action Plan Implementation Steering Group, chaired by Kevin Fenton and comprising of all key partners, including the voluntary sector, will ensure we drive forward progress in line with our aims, and we will make an annual report to Parliament on our progress.

I would like to thank Dame Inga Beale, members of the HIV Oversight Group, the Independent HIV Commission, and all those that have helped for their excellent work in supporting the development of our plan. The action plan sets out how we will continue to work together with all those who share our ambition to achieve zero new HIV infections. The publication of the plan today is an important step towards achieving our goal.

[HCWS436]

LEVELLING UP, HOUSING AND COMMUNITIES

Slough Borough Council

The Minister for Levelling Up Communities (Kemi Badenoch): On 25 October 2021, I announced to the House that the Secretary of State was minded to intervene at Slough Borough Council ("the Authority") and to appoint commissioners to take over functions associated with financial management and governance, oversight of the collection of revenues and distribution of benefits, and non-executive functions relating to the appointment and dismissal of statutory officers.

At the same time, I sought views on how best to improve political stability in the Authority's leadership and to move towards a four-yearly election cycle.

These proposals followed the publication of an external assurance review, led by the Chartered Institute of Public Finance and Accountancy and Jim Taylor, the former chief executive of Salford City Council, Trafford Council and Rochdale Borough Council. The review showed that the Authority had failed in its best value duty. This is a requirement set out in the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In addition, the review showed that the financial challenge was acute, and that the Authority could not become financially sustainable without Government support.

The governance element of the review identified poor practices which had dated as far back as 2011, but which were still occurring today; the council was unable to resolve such difficulties on its own (p.29). The council had the third highest level of borrowing per head for councils in England, but there was little evidence of any concerted, strategic, or commercial plan of investment; there was little evidence that the council understood the financial implications and risks of such borrowing (p.21).

Financial government was poor; the council was not equipped to undertake pre-decision scrutiny; its budget lacked clear business cases setting out how its planned savings could be delivered (p.17). There was no significant corporate ownership or understanding of finance; if the senior council senior team and senior members had acted more rigorously, the current financial impact on the council could have been mitigated (p.18).

As part of my announcement in October, I invited the Authority to make representations about my proposals to formally intervene on or before 5 November 2021. The Authority, its Conservative councillor group, an independent councillor and seven residents made representations. All representations supported the intervention and the proposal to appoint commissioners. The Authority accepted the findings of the external assurance review, stated that it looked forward to working with commissioners, and in relation to elections, confirmed that it had established a cross-party working group and planned a consultation. The Conservative group and the independent councillor pledged to work with the commissioners. Residents were universally supportive of the intervention and keen to see real improvement in the Authority's services.

Best value intervention in Slough Borough Council

Following consideration of these representations, the Secretary of State has decided to proceed with the proposals announced on 25 October.

The Secretary of State is mindful that the lessons from past interventions suggest that once commissioners are in post, additional issues can arise. He is therefore directing the Authority to undertake an assessment of the functional capability of all service areas within the next three months, to identify any gaps in capacity and capability, and may expand the scope of the intervention if necessary.

Appointing Commissioners for Slough Borough Council

The Secretary of State has decided to appoint two commissioners with a proven record of leadership and transformation, strong financial management and governance, and the specific expertise that will be relevant to their functions.

> Max Caller CBE (Lead Commissioner)—Max led the best value inspections at Northamptonshire and Liverpool and was a commissioner at Tower Hamlets. Max is a former chief executive of the London Boroughs of Hackney and Barnet and former chair of the Local Government Boundary Commission for England.
>
> Margaret Lee (Finance Commissioner)—Margaret recently retired from Essex County Council where she held senior finance roles, including the statutory finance officer, and is a member of the London Borough of Croydon improvement and assurance panel.

The commissioners have been appointed for three years from 1 December 2021 to 30 November 2024, or such earlier or later time as we determine. We are clear that the directions should operate for as long, and only as long, and only in the form, as necessary.

The commissioners will be asked to provide their first report within the next three months, with their initial views and an assessment of whether they require further support. If further appointments are necessary, we hope to reflect the diversity of Slough's population. Further reports will be provided every six months, or as agreed with the commissioners.

I want to be clear that most decisions will continue to be made by the Authority; the intention being that commissioners will only use their powers as a last resort if they are dissatisfied with the Authority's improvement processes.

Commissioners will work collaboratively with the Children's Services Commissioner, Trevor Doughty, to make sure that these vital services continue to be delivered effectively and efficiently in line with the Authority's statutory duties. The Children's Services Commissioner will continue to support the Slough Children First company and Slough Borough Council on its important work to continue to improve children's social care services, which are no longer rated "inadequate". He will also work with the council to explore the ideal future scope of services to be delivered by the company, including the recommendation on this in Jim Taylor's report.

Following the recent Ofsted-Care Quality Commission inspection of local services for children and young people with special educational needs and or disabilities (SEND), the local area must now prepare a written statement of action setting out how it will improve these services. The Department for Education is supporting the council in this important task, and is considering how to engage and work with the commissioner team to ensure this work is also prioritised.

I am also asking the commissioners to support the Authority in relation to the negotiations with the Department for Education on the safety valve intervention programme. The Authority will participate in the programme given the size of its dedicated schools grant deficit. The programme requires collaboration across education and finance leadership for the long-term benefit of children and young people with high needs.

As with other interventions led by my Department, the Authority will be directed to meet the costs of the commissioners. The Government have reviewed the level of fees paid to commissioners appointed using powers in the Local Government Act 1999 and have determined that they should be uplifted. The fees paid to individuals are published in appointment letters which are available separately on www.gov.uk. I am assured this provides value for money given the expertise that is being brought, and the scale of the challenge in councils requiring statutory intervention. Given the importance of these roles, my Department will also move to a new annual open recruitment process to identify potential candidates for future commissioner appointments and other non-statutory improvement roles. Further information on this process will be published in due course.

Future of Slough Borough Council

Since the publication of the external assurance review the Authority have updated their financial position. The situation is unprecedented. Commissioners will play an important role in informing Ministers' response to the situation in Slough, including the council's request for exceptional financial support, and what the right medium-term plan might be for Slough, given the scale of the financial and wider challenges facing the council.

Conclusion

The Government will continue to work closely with the political, business, and cultural leadership of Slough, and is committed to making sure the residents of Slough have what they need from their local council, including confidence in its service delivery and financial management and governance.

I have published the directions and explanatory memorandum associated with this announcement at https://www.gov.uk/government/collections/intervention-at-slough-borough-council.

[HCWS435]

Petition

Wednesday 1 December 2021

OBSERVATIONS

EDUCATION

Orchards Academy

The petition of residents of Sevenoaks,

Declares that Orchards Academy in Swanley is in urgent need of a rebuild due to serious structural problems with the school building; further that all children should be given the opportunity to learn in a safe and welcoming environment; further that the children of Swanley and the surrounding area should have access to a safe and modern school fit for the twenty first century.

The petitioners therefore request that the House of Commons urge the Government to bring forward measures that will ensure that Orchards Academy is rebuilt.

And the petitioners remain, etc.—*[Presented by Laura Trott, Official Report,* 1 July 2021; Vol. 698, c. 499*.]*

[P002671]

Observations from The Minister for School Standards (Mr Robin Walker):

The Prime Minister announced a new, 10-year school rebuilding programme in summer 2020. This will replace poor condition school buildings with modern designs that will be net zero carbon in operation, transforming education for thousands of pupils.

We have confirmed the first 100 schools in the programme as part of a commitment to 500 projects over the next decade. I am pleased that Orchards Academy in Swanley was confirmed as being in the programme in July 2021. The Department is currently undertaking a feasibility study, which will determine the scope of the project at the school.

Schools, including Orchards Academy, have been prioritised based on the condition of their buildings. The methodology used to prioritise the schools has been published on gov.uk, along with details of all the schools confirmed so far:
https://www.gov.uk/government/publications/school-rebuilding-programme.

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PETITION

Wednesday 1 December 2021

	Col. No.
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Orchards Academy	3P

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not later than
Wednesday 8 December 2021

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