Monday
10 January 2022

Volume 706
No. 96

HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY DEBATES

(HANSARD)

Monday 10 January 2022

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House of Commons

Monday 10 January 2022

The House met at half-past Two o'clock

PRAYERS

[Mr Speaker *in the Chair*]

BUSINESS BEFORE QUESTIONS

Death of a Member

Mr Speaker: I regret to have to report to the House the death of a friend, Jack Dromey, the hon. Member for Birmingham, Erdington. I know hon. Members in all parts of the House will join me in mourning the loss of our colleague, and in extending our sympathy to the hon. Member's family and friends. I invite all Members to join me in one minute's silence in memory of Jack.

The House observed a one-minute silence.

Mr Speaker: I also wish to assure the House that there will be an opportunity for all of us to pay tribute to Jack at a later date, to be determined in consultation with the family. Members wishing to send letters of condolence to the family can do so via the Speaker's Office, who will collate them and pass them on. I am sure we all extend our deepest sympathy to Harriet, a friend of all of us. [Hon. Members: "Hear, hear."]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Armed Forces Pay

1. **Carol Monaghan** (Glasgow North West) (SNP): What recent assessment he has made of trends in the level of pay of armed forces personnel. [904819]

The Minister for Defence People and Veterans (Leo Docherty): May I open by associating myself with your remarks, Mr Speaker, about the hon. Member for Birmingham, Erdington? We express our deepest sympathy to the right hon. and learned Member for Camberwell and Peckham (Ms Harman) and their entire family.

Armed forces pay remains competitive. Indeed, in 2021 approximately 35,000 service personnel earning less than £24,000 received a £250 consolidated pay uplift because, despite the public sector pay freeze, we are mindful of protecting the lowest earners in the armed forces during the public sector pay pause.

Carol Monaghan: May I start by offering my condolences to the family of our hon. Friend, Jack Dromey, and in particular to our colleague, the right hon. and learned Member for Camberwell and Peckham? Our thoughts are with her at this time.

Since 2010, many armed forces personnel have experienced a dramatic real-terms decrease in pay, some by as much as 6.5%. With the cost of living increasing dramatically and personnel struggling to stay afloat financially, will the Minister now lift the pay freeze and restore pay to at least the levels of a decade ago, when his party came to power?

Leo Docherty: When considering armed forces pay, it is very important to look at it in the round. Service personnel benefit from subsidised food and accommodation, a fantastic non-contributory pension, and allowances on top of basic pay. If I may say, it is a little bit rich getting lessons on armed forces pay from the SNP, given that it has hiked tax on service personnel in Scotland to the tune of £580 per person. It is just as well that the Ministry of Defence is making up the difference.

Bob Stewart (Beckenham) (Con): I am very sad about the loss of Jack. I had known him since we both served together—him for the unions, me for the military—in Northern Ireland a long time ago.

Private soldiers, able seamen and aircraftsmen, after six months' training and in accordance with the Armed Forces' Pay Review Body, get roughly £3,000 to £4,000 less than a policeman who is also trained for about six months. That seems weird and I ask the Minister if he might slightly account for that.

Leo Docherty: As I said, we have to take note of the fact that service personnel benefit very significantly from subsidised food and accommodation, a non-contributory pension and allowances. Many young soldiers are also taking advantage of the opportunity to get on to the property ladder through the Forces Help to Buy scheme, which has been a great success.

Mr Toby Perkins (Chesterfield) (Lab): I thank you, Mr Speaker, for what you said about Jack Dromey; his loss is felt by all of us across the House.

I take on board what the Minister said about pay below £24,000, but being as tough as it is for all those people, we think that that is inadequate. Moreover, is he aware that there are huge pressures in terms of the retention of more senior staff, particularly in the Royal Navy and the Royal Air Force? The gap between what they can earn in the private sector and what they currently earn in the Navy and Air Force, and how much their skills are in demand, are really affecting the ability to retain important members of staff.

Leo Docherty: The hon. Gentleman makes a good point, and that is why we offer some technical bonuses. We are also initiating a strategic review of terms and conditions and reward and incentivisation to ensure that we can compete with the private sector.

UK Defence Jobs

2. **Dr James Davies** (Vale of Clwyd) (Con): What steps his Department is taking to support defence jobs throughout the UK. [904820]

9. **Rob Roberts** (Delyn) (Ind): What steps his Department is taking to support defence jobs throughout the UK. [904828]

13. **Andrew Bridgen** (North West Leicestershire) (Con): What steps his Department is taking to support defence jobs throughout the UK. [904832]

18. **Mark Pawsey** (Rugby) (Con): What steps his Department is taking to support defence jobs throughout the UK. [904837]

The Secretary of State for Defence (Mr Ben Wallace): May I pay tribute on behalf of the Cabinet and the Government to the hon. Member for Birmingham, Erdington (Jack Dromey)? We are sorry for his loss and our condolences are with his family. I shall remember Jack with his trademark mac that he often wore—he never changed it—and for his well-crafted arguments often against the Government, but nevertheless making strong and powerful points.

The latest figures from the Office for National Statistics recorded Ministry of Defence support to over 200,000 jobs in UK industry. Further economic growth and prosperity, including jobs, across the Union will be underpinned by £188 billion of investment in defence over four years and this Government's commitment to a deeper and more strategic relationship with industry, as part of the defence and security industrial strategy.

Dr Davies: I thank the Secretary of State for that answer. There is great interest in north Wales in the opportunity that the new medium helicopter programme could bring to the region. Will he provide an update on the progress made by his Department ahead of the launch of a formal competition?

Mr Wallace: Last November, we held a successful market interest day with potential suppliers to discuss requirements for our new medium helicopter programme. Hopefully, by February, we shall start the process of the competition.

Rob Roberts: As my constituency neighbour, my hon. Friend the Member for Vale of Clwyd (Dr Davies), mentioned, the new helicopter programme could be significant in north-east Wales and generate around 400 jobs at Airbus directly, should its bid be successful. Will the Secretary of State confirm when the process is scheduled to be completed and when he expects the helicopters to come into service afterwards?

Mr Wallace: My hon. Friend makes an important point. Whoever wins this competition, it is important that they contribute to the prosperity and job opportunities for UK citizens wherever they may be. I am not interested in "here today, gone tomorrow" suppliers for this. We want to enhance British industry and make sure that these helicopters are properly made and put together in this country. Once the competition is complete, we hope to have the medium-lift helicopters in service from the middle of this decade.

Andrew Bridgen: I was pleased to read last week of a new five-year, £460 million logistics contract that has been issued which should deliver the MOD £54 million of efficiency savings a year. Will the Secretary of State outline what the new logistics information system will mean for jobs in the UK, and specifically, jobs in the east midlands?

Mr Wallace: My hon. Friend highlights an important part of the capability in which we need to invest. Our logistics information system contract will support vital services for another five years and ensure that the UK can rapidly deploy military personnel and equipment globally. He will be pleased to hear that the contract will sustain 675 jobs across the UK supply chain and benefit the whole country, including through jobs at companies with a presence in the east midlands, such as IBM in Nottingham.

Mark Pawsey: As joint chair of the all-party group on manufacturing, I know that Jack Dromey would have appreciated the emphasis today on manufacturing and UK jobs. The national shipbuilding strategy sets out an ambition to support UK manufacturing by boosting innovation, skills, jobs and productivity across the UK, in addition to ensuring the construction of ships' hulls in British shipyards using British-sourced steel. Will the Secretary of State confirm that every encouragement will be given to UK-based companies to add to the UK content of these new vessels by supplying the systems and equipment that go hand in hand with them?

Mr Wallace: The 2017 national shipbuilding strategy has been highly successful at supporting our UK naval shipbuilding industry. I wish to reassure my hon. Friend that the Government are working hard to ensure that the UK producers of steel, and the wider UK shipbuilding supply chain, have the best possible chance of competing for contracts—including General Electric, from his constituency. The refresh of the national shipbuilding strategy is due for publication—we hope that this will be by the end of this month.

John Spellar (Warley) (Lab): Can I bring the Secretary of State back to planet Earth—or planet MOD? He has just mentioned GE at Rugby, but the MOD took no interest when its American parent company in Philadelphia wanted to move production to France; similarly, there was no interest in ensuring that the fleet solid support ships are built in the UK using British steel. Every other major industrial country and major defence country looks after their own industry. Why will he not throw off the blinkers and actually do the same here in the UK?

Mr Wallace: Oh dear. I think the right hon. Gentleman has not even read the defence industrial strategy, where it is very clear that we have committed to enhancing sovereignty. He will know, because he has watched the solid support ship contract with great interest, that we have also classified those ships as warships and started that competition. It is incredibly important that we recognise that, first and foremost, this Government are going to do more, and have done more, to enhance British shipbuilding than any other Government for many, many years, including the one he was a member of.

John Healey (Wentworth and Dearne) (Lab): May I start by thanking the Defence Secretary and you, Mr Speaker, for the words about Jack Dromey? On this side, we mourn deeply his very sad and sudden death. He touched everyone he worked with—everyone has a proud or affectionate Jack Dromey story—and our House and our politics are the poorer without him this week.

Turning to the question, there are indeed 300,000 UK defence jobs, many linked to MOD contracts. Why have the National Audit Office and the MOD's own accounts

officially confirmed 67 cases of overspends, write-offs, contract cancellations, unplanned extensions and admin errors since 2010, costing at least £13 billion in taxpayers' money wasted since 2010? Those are only the published data—they are the tip of the iceberg—so will the Secretary of State now commission the NAO to conduct an across-the-board audit of MOD waste, as Labour in government would from day one?

Mr Wallace: I am glad that the right hon. Gentleman has raised the issue of the contents of Labour's dodgy dossier on defence procurement, which are a fascinating read. They include allocating the loss on Nimrod, which the Labour party had governed for 13 years, to a Conservative Government and the fact that the Labour party had estimated that aircraft carriers would cost only £2.7 billion when in fact they cost over £6 billion. Considerable amounts of the so-called "waste" in the dossier show a breathtaking misunderstanding of both accountancy and how things operate when it comes to procurement. Retiring an aircraft last year that was due to retire in 2015—the Sentinel—does not make it a write-off or a waste; it is getting rid of a piece of equipment that is no longer value for money in delivering what we need to deliver. If he wishes to become the future Defence Secretary, I suggest he takes a course in accountancy first.

John Healey: The Sentinel was, of course, retired before the replacement E-7 Wedgetails were ready, so the MOD rightly accounted for £147 million in constructive loss in its accounts. However, £4 billion has been wasted since 2019 alone, since the Secretary of State has been in post, and the National Audit Office has judged the MOD's accounts for the defence equipment plan "unaffordable" every year for the last four years. It has said that there is a budget black hole of up to £17 billion. The Secretary of State has taken no serious action to deal with these deep-seated problems. He is failing British forces, and failing British taxpayers.

Mr Wallace: Desperate!

Let us start with the first point. The Sentinel is not an early-warning radar, which the E-7 Wedgetail is. If we are going to say that I retired one platform capability and replaced it with another, let us try to make sure that we replace it with the right type of capability, otherwise someone will be flying the wrong plane in the wrong place at the wrong time—but then I suppose we should not really be very surprised by Labour.

I entirely understand the NAO's observations. There are, absolutely, a great many things to put right, and in putting them right, yes, we cancel programmes that we cannot afford, yes, we retire capabilities that should have been retired previously, because that is called putting your house in order. Otherwise, we end up with an NAO ruling that

> "The MoD has a multi-billion-pound budgetary black hole which it is trying to fix with a 'save now, pay later' approach."

That was the NAO's report on the Labour Government in 2009, and the "pay later" is what we are now living with.

Mr Mark Francois (Rayleigh and Wickford) (Con): I endorse everything that both Front Benchers said about Jack Dromey, but not everything that followed.

The Secretary of State and I have crossed swords before about procurement. As he knows, the Public Accounts Committee said that the system was broken. He kindly offered me a meeting last time we discussed this in the House, and he kept his word: he generously gave me an hour of his time, and we discussed it in detail. Following that, is there anything he would like to say to the House today about his plans to reform procurement in the Ministry of Defence?

Mr Wallace: As I have said, there are observations about defence procurement in all the NAO reports and also in those of Select Committees of both Houses, and it has been a running sore for many years. We have to fix some of those issues. The Minister for Defence Procurement, my hon. Friend the Member for Horsham (Jeremy Quin), has come to the House time and again to talk about and expose the issues relating to Ajax, and has been honest and clear about the problems that we need to put right. I discussed with my right hon. Friend the need to ensure that our pricing estimates and the quality of our contracts are correct, so that risk is held in the right place. Both those issues are incredibly important. We also need a change in the culture of optimism bias: sometimes people want to gold-plate things when the good will do, rather than the perfect.

Mr Speaker: I call the Scottish National party spokesperson, Dave Doogan.

Dave Doogan (Angus) (SNP): In 2010, when this Government came to power, there were three main RAF bases in Scotland, at Kinloss, Lossiemouth and Leuchars. Now there is only one. Can the Secretary of State tell us how many jobs were lost to Scotland as a result of the RAF draw-downs inflicted on it by Westminster, and, two years on from the Government's own target of 12,500 personnel to be stationed in Scotland by 2020, will he also tell us how much that target has been missed by, as of today?

Mr Wallace: It is correct that there is one RAF base now—in Lossiemouth. However, we are increasing the footprint up there, because we will base the E-7 there alongside the P-8, and it is home to some Typhoon aircraft as well. So there have been increases in some areas. We have replaced the RAF base at Leuchars with Army units, and we will put another unit there as well. Overall, the proportion of the Army that is based in Scotland has increased since "Army 2030".

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Devonport is the UK's premier naval base and dockyard. Will the Secretary of State present plans to recycle the 13 rotting nuclear submarines that are tied up alongside it? That would not only be good for the environment but good for Devonport, freeing up dock space, and good for jobs as well.

Mr Wallace: I am grateful to the hon. Member for drawing attention to the importance of Plymouth. I have asked our Submarine Delivery Agency and, indeed, the Navy to present plans for investing in its infrastructure, which has suffered for too many decades from a lack of investment because people want the more "sexy" show capabilities rather than the things that underpin keeping our forces ready and fit for battle.

Kevin Hollinrake (Thirsk and Malton) (Con): My right hon. Friend's Department has announced that the Alanbrooke barracks in my constituency, which proudly hosts the 4th Regiment Royal Artillery, will close in 2031. Can my right hon. Friend identify any possible other military uses for that base? Alternatively, will he work urgently with the local authority to ensure that the obvious redevelopment opportunities are taken up as quickly as possible?

Mr Wallace: I should be delighted to meet my hon. Friend to discuss all opportunities to make use of that space.

Ajax Programme: Cost

3. **Nick Smith** (Blaenau Gwent) (Lab): What recent estimate he has made of the cost of the Ajax programme. [904821]

The Minister for Defence Procurement (Jeremy Quin): As reported by the Infrastructure and Projects Authority in July 2021, the budgeted cost of Ajax is £6.354 billion to manufacture the vehicle and bring it to full operating capability and for its first period of service. Forecasts are updated twice yearly and our current forecast is that we will deliver under budget at £5.915 billion, though that is subject to change. That includes our £5.5 billion firm contract with General Dynamics.

Nick Smith: Thank you, Mr Speaker, for the short tribute to our comrade Jack Dromey.

The latest document on Ajax is enough to make anyone weep. It points to an alphabet soup of accountabilities and a saga of poor procurement, and says that the vehicle thus far is not fit for purpose. And of course it has been a health and safety minefield. This project matters for our military capability and for the 4,000-strong workforce in south Wales and across the UK. In his December statement, the Minister ended on an optimistic note when responding to a question about the workforce from my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones). Can the Minister give us the expected timeline for fixing these issues?

Jeremy Quin: The hon. Gentleman is correct to say that I sounded an upbeat note in terms of the jobs in south Wales. We were right to commission the report. It was a thorough report and I believe it was right to publish it so that this House knew exactly where we stood on Ajax. On the question of employment, there are some 4,100 jobs across the country in 230 companies, and the programme is particularly important to south Wales. I was upbeat to the extent that I believe that we must work together with General Dynamics to fix this issue. We have now received a draft report from Millbrook, as I outlined in my last statement, and there is work to be done on that. We may not really get to grips with that until July, but progress is being made. Certainly I believe that the independent work that General Dynamics is doing in Horiba-Mira and elsewhere can resolve these issues. We need to test that very carefully, but we have invested very heavily in this project, it is an important capability and we are determined to make it work if we possibly can.

Dame Caroline Dinenage (Gosport) (Con): I would also like to express my condolences on the loss of Jack Dromey, who made his maiden speech the same day that I made mine. I was very fond of him.

I have no doubt that some of the procurement processes that were inherited from the last Labour Government led to some of the flaws in the Ajax programme. I say that because it is emblematic of a catalogue of wasteful decisions such as the selling off of the Royal Naval Hospital Haslar in 2009 for £3 million when it had reportedly been valued at £52 million. Could the Minister please assure me that the MOD's procurement and disposal decisions, such as that involving Fort Blockhouse at Gosport, will maximise the benefit for the taxpayer and for local communities?

Jeremy Quin: I congratulate my hon. Friend on her elevation; that is good to see. She refers to the approval process for Ajax, which was indeed under the last Labour Administration. I think it passed maingate business approval in March 2010, around the same time that the National Audit Office was pointing out the multi-billion pound black hole that the Labour party was leaving in Defence at the time. I do not believe that Fort Blockhouse will be disposed of until 2023, so there is time to get it right. I would be more than happy to meet my hon. Friend if that is helpful.

Chris Evans (Islwyn) (Lab/Co-op): I join other voices in expressing my own sadness at the loss of our colleague Jack Dromey. Jack was someone who committed his entire life to improving the lot of others. He was, and is, an example to us all.

Last month, the Government's own report found that Ministers were in the dark about the serious issues surrounding Ajax for a whole two years before the current Minister was informed in 2020. During that time, soldiers were put in a vehicle that could cause harm. What new measures have been put in place to ensure that Ministers are fully on top of what is going on in their Department?

Jeremy Quin: There is a whole raft of measures. I have met the hon. Gentleman and he is aware from reading the report of what has been set out. We immediately accepted the vast majority of recommendations. There are about two recommendations that need to be worked on, but the intent is there and our intent is to adopt them. One of the most important aspects is to make certain that all people with a view on safety are part of the decision making process, so that everyone with a view has an opportunity to air it and everyone is listened to with respect. We are also putting health and safety input into the highest ranks of the decision making process, so that major decisions cannot be made, either by Ministers or by other parts of the organisation, without that health and safety input right at the top of the organisation. These measures will help to ensure that such a situation does not reoccur.

Relocation from Afghanistan

4. **Dr Julian Lewis** (New Forest East) (Con): What steps his Department is taking to support the relocation of (a) vulnerable Afghans and (b) British nationals from Afghanistan. [904822]

The Minister for the Armed Forces (James Heappey): Clearly the movement of any vulnerable Afghan or British national from Afghanistan to the UK requires the co-operation of a third country. In the UK's case, this has mostly been through Pakistan and we are very grateful to our friends in Islamabad for working with us. More than 2,000 people have come to the UK since the end of Operation Pitting, and we continue to work with partners in the region to facilitate the exit of more, through more routes.

Dr Lewis: It is worth noting that the last speech Jack made to the House of Commons was on this very subject of standing by our friends in Afghanistan.

Given the unhealthy closeness of ties between parts of the Pakistani state and the Afghan Taliban, what assurances and assistance will the Minister give to Afghans in hiding in Pakistan, who may have been issued with UK visas, that they will not be deported back to Afghanistan by the Pakistani authorities when they present themselves at an airport, instead of being permitted to fly to the United Kingdom?

James Heappey: My right hon. Friend will know that we are flirting with operational detail that may be best kept private, but he and all colleagues should reassure those with whom they are in touch that everybody who has arrived in Pakistan with the correct paperwork has been facilitated by the British high commission to leave the country successfully. The challenge, as he might expect, is for those who do not have papers, which is a very live conversation not just with Islamabad but with our friends in other capitals around the region.

Tonia Antoniazzi (Gower) (Lab): How many ARAP families now in the United Kingdom have been granted indefinite leave to remain?

James Heappey: I fear this may be a red herring, inasmuch as indefinite leave to remain is an automatic part of the ARAP scheme. More than 5,000 ARAP-eligible personnel were brought out during Operation Pitting, and around 1,100 of the 2,000 who have come out since are also ARAPers. About another 150 or so ARAP principals from the original cohort who actually worked for us and were approved during Operation Pitting are left in Afghanistan, and we continue to work to bring them out. Of course, we are getting applications all the time. The ARAP entitlement is absolute and is not time limited. We will bring out anybody eligible who applies.

Ukraine: Territorial Integrity

5. **Henry Smith** (Crawley) (Con): What steps his Department is taking to help protect the territorial integrity of Ukraine. [904823]

8. **Mr Gagan Mohindra** (South West Hertfordshire) (Con): What steps his Department is taking to help protect the territorial integrity of Ukraine. [904826]

14. **Jerome Mayhew** (Broadland) (Con): What steps his Department is taking to help protect the territorial integrity of Ukraine. [904833]

The Secretary of State for Defence (Mr Ben Wallace): The Ministry of Defence has a long-standing relationship with our Ukrainian counterparts, and we continue to provide support in many areas including security assistance and defence reform. Since 2015, the UK has helped to build the resilience and capacity of the Ukrainian armed forces through Operation Orbital, which has trained over 22,000 Ukrainian troops.

Henry Smith: Can my right hon. Friend update the House on the memorandum of implementation between Ukraine and the United Kingdom to build up naval capacity and naval bases?

Mr Wallace: It became very clear after 2014 that Ukraine had lost large parts of its navy to Russia's illegal occupation of Crimea, and it is important to help Ukraine build up and sustain a naval capability. We have continued to invest in that, and last year we signed not only an MOI but an agreement to sell naval patrol boats with weapons systems to the Ukrainian Government.

Mr Mohindra: I associate myself with the comments about Jack Dromey.

Does my right hon. Friend share my gratitude to the excellent staff at Permanent Joint Headquarters at Northwood in my constituency for their superb leadership and focus on our overseas operations?

Mr Wallace: My hon. Friend is right to pay tribute to staff at PJHQ. Both civilian and military staff constantly work around the clock to deliver a whole range of international operations and, in terms of the frontline, are always ready and prepared to deploy to wherever we need in the world, including in Ukraine.

Jerome Mayhew: It has been suggested that our support for Ukraine might include the provision of weapons systems. Is that true?

Mr Wallace: As I have said, in June last year, we entered into an agreement with Ukraine to supply eight fast ships equipped with modern weapons systems. That was a significant agreement as it affirmed the UK's openness to supply Ukraine with defensive weapons systems as well as training, and that principle remains.

Andrew Gwynne (Denton and Reddish) (Lab): May I thank the House for the kind words about our friend, Jack Dromey? He is a loss to my party, to the wider Labour movement, and, indeed, to Parliament.

The threats made to Ukraine are part of a wider pattern of behaviour by Russia, ranging from Belarus to the Balkans, to test NATO and the west. We also have to tackle Russian misinformation, as it is a huge tool in President Putin's arsenal and has been used to devastating effect against our allies. What steps are the Government considering taking to counter that huge problem, along with other grey zone attacks?

Mr Wallace: The hon. Gentleman is absolutely right. The false narrative is that, somehow, NATO is surrounding Ukraine, when only one 16th of Russia's border is shared with a NATO member. It is also a false narrative to say that NATO, as some sort of single entity, looks to expansion. People seek to join NATO often as a result of other issues. The question for the Kremlin is why so many countries have sought that membership.

On what I am doing to counter that information, I think we all have a role to play. My right hon. Friend the Foreign Secretary has engaged the media, and I will

continue to do so as well. This House had an extremely good debate on the subject, and I listened to many Members' speeches. I urge anyone who has not read the debate, to read it. It is important to call out the false playbook. I also urge right hon. and hon. Members to read the article written by President Putin himself in July last year in which he exposes his real views towards the people of Ukraine.

Chris Bryant (Rhondda) (Lab): Lots of people spoke in the debate last Thursday about the hybrid warfare that Putin is effectively waging against the west at the moment. Is the Secretary of State for Defence convinced that the UK is doing enough to tackle the dirty money that comes from Russia into London? Is he convinced that we are doing enough not just on the misinformation that Russia perpetuates here, but on the number of dodgy companies that are functioning here?

Mr Wallace: The hon. Gentleman will know from my time as Minister of State for Security and Economic Crime that I was always pushing to do more—and there is always more to do. The unexplained wealth orders were one step, but more transparency and more rigorous checks in places such as Companies House are also important steps. I think that he is right that Russia goes after a whole range of our vulnerabilities. Perhaps, in the way that we function as an open liberal society, we should make sure that we protect those places and not just the more obvious places, such as the military.

Wayne David (Caerphilly) (Lab): May I associate myself very warmly with the comments made about my good friend, Jack Dromey? He was a friend to us all in this House.

Given that there is a need for maximum co-ordination and co-operation with our allies if we are to counter the threat from Russia effectively, what measures are the Government taking to enhance our co-operation with our European partners to make sure that we are an effective alliance?

Mr Wallace: The United Kingdom has uniquely at its disposal a strong partnership with the United States, and a partnership also with the EU and indeed in NATO. We are working all those avenues to make sure that we present a united and strong front. This week, I will visit a number of countries in eastern Europe and Scandinavia, many of which are very, very worried about what has been happening. We have continued with the diplomatic track. In 2019, I extended Operation Orbital to continue to help build Ukraine's capability to defend itself, which is incredibly important. All of us should call out those false narratives to make sure that, should anything happen, we have a package of sanctions ready to deliver to make sure that Russia's bad mistake is punished.

Mr Tobias Ellwood (Bournemouth East) (Con): Putin's ultimatum in December, placing unrealistic demands on NATO's forced presence in eastern Europe and giving Russia licence to invade Ukraine, was clearly designed to be rejected. Will the Secretary of State confirm that we will not concede to Russia's threats; that NATO's defence posture in eastern Europe, and in the Baltic states in particular, will not change; and that we will commit to a long-term strategy of supporting Ukraine through joint training exercises, arms sales and the eventual inviting of Ukraine to join NATO?

Mr Wallace: First and foremost, we need to deal with the central charge, which I think is a false charge, of NATO aggression and a NATO surrounding of Russia. NATO is defensive by its very nature—if you attack us, you attack us all—and it is a defensive alliance; it is not offensive. There are no NATO bases in Ukraine, which is also alleged. The United Kingdom will work with whoever wants to work with us and shares our values. We will not be deterred by bullying, and we will not be deterred by distance. We shall step up and help those countries in eastern Europe and Scandinavia, and Ukraine—that is its right as a sovereign country—should they wish to have our assistance. We respect their rights as free, sovereign countries, and I ask other countries to do the same.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The worrying developments in Ukraine along with those in Kazakhstan demonstrate the need for us to be able to understand the Russian Federation and its motivations, however misguided its actions. Thankfully, the Ministry of Defence has the Russian military studies centre in Shrivenham, which is a resource of outstanding pedigree built on a proven research record. Will the Secretary of State assure the House that the centre will be able to preserve its independence following the review that his Department is undertaking? It would be a great pity if the unique pedigree of that research centre was lost.

Mr Wallace: Not for the first time, the hon. Member raises an interesting point that I will be delighted to look at. It is important that we all have independent advice. This month, I will make the Chief of Defence Intelligence available to hon. Members of the House, to brief those who so wish on the current situation in Ukraine. We should not forget that what the Russian Government—not the Russian people—are frightened of is not NATO but NATO's values.

Future Soldier Programme: Army Estate in Wales

6. **Alun Cairns** (Vale of Glamorgan) (Con): What assessment he has made of the impact of the future soldier programme of reform on the army estate in Wales. [904824]

The Minister for Defence Procurement (Jeremy Quin): My right hon. Friend has fought and fought for the retention of more military personnel at St Athan. At his request, I visited the site personally and re-evaluated our options. Unfortunately, the historic agreement entered into with the Welsh Government does indeed make such—*[Interruption.]* I do apologise, Mr Speaker, and I apologise to my right hon. Friend—I wanted first to give an answer on future solider in general before getting on to the specifics—*[Laughter.]* I know exactly what my right hon. Friend is going to ask, because he has been assiduous in demanding more troops at St Athan.

Before I get on to that, future soldier is good news for Wales, bringing additional investment into the Army estate of around £320 million. I know Brecon will be delighted that Brecon barracks—the headquarters of the 160th (Welsh) Brigade—will be retained. We have identified Caerwent training estate for investment to host not one but two units—including the Queen's Dragoon Guards—and, in north Wales, a new reserve unit of the Royal Welsh will be established in Wrexham.

Alun Cairns: I associate myself with the comments made about our friend and colleague Jack Dromey.

The Welsh Government's refusal to extend the lease of the land at MOD St Athan effectively blocked a new major military unit coming to St Athan. What reassurance can the Minister give to the soldiers based at west camp? Do the Welsh Government have any right to the land on which they are based? If so, are they at risk of being evicted in the same way as those soldiers who were based at east camp?

Jeremy Quin: No, they are not. The good news is that the Ministry of Defence holds the freehold for the west camp land, which was not covered by the historic agreement made with the Welsh Government. My right hon. Friend has tackled me on this issue on so many occasions, and I went to visit the camp. We could not put new units into St Athan given the historic agreement with the Welsh Government, but west camp is MOD freehold and we will retain our forces there.

Stephen Kinnock (Aberavon) (Lab): I associate myself with the tributes to Jack Dromey. He was a true friend and a credit to the House.

The Minister spoke about the future soldier programme in general terms, which connects to the Armed Forces Act. He made a welcome concession by agreeing to publish data on both investigations and prosecutions at all stages of the service justice system. What will the Government do if conviction rates for one or more of these serious crimes are concerningly low? Will the Government reconsider their approach and finally recognise that these cases should be dealt with by the civilian judicial system, and what impact does the Minister think that the Armed Forces Act 2021 will have on the Government meeting the target they have set themselves for 30% of Army recruits to be—

Mr Speaker: Order. The question is not relevant to the main question.

Stephen Kinnock: I am sorry, Mr Speaker, but—

Mr Speaker: We will ignore that and go to Richard Drax.

Richard Drax (South Dorset) (Con): Thank you, Mr Speaker. May I, too, pass on my condolences to Jack's family and friends? It is indeed a sad loss.

I am clutching at two words—Army estate—in asking this question. On a recent visit to the Special Boat Service—our Marines special forces—I was shocked to find that it does not have a proper aquatic centre. Will my hon. Friend the Minister tell me and the House when and if the Special Boat Service will get a proper aquatic centre to do vital training in?

Jeremy Quin: I am aware of the discussions and the proposal and I have seen some suggestions, but I am not in a position to give any detail to my hon. Friend at the moment. I will look into it and write to him.

Withdrawal from Afghanistan: Inquiry

7. **Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): If he will make an assessment of the potential merits of commissioning an inquiry into the UK's withdrawal of personnel from Afghanistan under Operation Pitting. [904825]

The Minister for the Armed Forces (James Heappey): The Foreign Affairs Committee has one up and running and the Secretary of State for Defence will give evidence in two weeks' time.

Stuart C. McDonald: I have no doubt that that Committee is doing a very find job indeed, but surely the damning evidence that it has received makes a full independent inquiry all the more important, not less so. Tens of thousands dead, millions facing humanitarian disaster, democracy and human rights in tatters, and many of billions of pounds spent—if that does not merit a full, comprehensive independent inquiry, what on earth does?

James Heappey: I think that the whole House can agree that the service personnel involved in Operation Pitting did an amazing job. I fear that the hon. Gentleman's wider question might be better addressed to Foreign Office questions.

Awarding of Defence Contracts

10. **Bob Seely** (Isle of Wight) (Con): What steps he is taking to ensure that contracts awarded by his Department are (a) subject to open competition and (b) accessible to domestic contractors. [904829]

The Minister for Defence Procurement (Jeremy Quin): The defence and security industrial strategy provides a more flexible approach to determine the right acquisition strategy for any given capability, in line with our priorities and national security requirements. Where tenders are used, they are designed to be fair, open and certainly accessible to domestic contractors.

Bob Seely: Wight Shipyard Co. in my constituency recently raised with me its concern about the niche criteria and very short timeframes for the Ministry of Defence's special purpose ship contract. Will my hon. Friend reassure me that all MOD contracts are fairly given out and fairly tendered to all contractors in the country, including smaller contractors such as Wight Shipyard?

Jeremy Quin: My hon. Friend is an assiduous advocate for the Island and he was right to raise this issue with me before Christmas. I looked into it and have written to him and another hon. Gentleman on the subject. The requirement is for an existing vessel that can enter service very quickly to help the Royal Navy perform, at pace, trials on autonomy and the use of modular persistent operational deployment systems. I am satisfied that the tender for this vessel is fair and open. It has attracted a significant degree of interest from a wide range of suppliers, and they will have to compete along the lines outlined.

Dave Doogan (Angus) (SNP): The Government are invariably keen to talk up their role in the manufacturing success story of Scottish warship building, and the Minister knows exactly the extraordinary private investment that has been made by BAE on the Clyde and by Babcock at Rosyth, and about the state of the art manufacturing process, equipment and, crucially, apprenticeships. Will he now commit to rewarding that investment by unequivocally ensuring that the fleet solid support ships are built in whole, not in part, in Scottish and, if necessary, other UK yards, and categorically commit to using UK steel?

Jeremy Quin: I think the hon. Gentleman should pay tribute to what this Government are doing in terms of investment in shipbuilding. We are a phenomenal investor in shipbuilding. BAE and Babcock are doing a tremendous job, with a huge number of ships coming through the production line. I am not going to prejudge a tender—that would completely contradict what I said in my previous remarks. However, if only the Scottish Government could take a leaf out of our book in the way in which they work with Ferguson's, I think we would all be better off as a shipbuilding industry.

Veterans Strategy

11. **Jonathan Gullis** (Stoke-on-Trent North) (Con): What assessment his Department has made of the effectiveness of the veterans strategy. [904830]

The Minister for Defence People and Veterans (Leo Docherty): Since the veterans strategy was published in 2018, we have been delivering for our veterans, including Op Courage in the NHS to support veterans with their mental health, the veterans' railcard, and a national insurance holiday for those employing veterans. We continue to drive forward that agenda, with our publication soon of a veterans strategy update, which will recognise what a fantastic asset our veterans are.

Jonathan Gullis: In north Staffordshire we are very proud to house the Tri Services and Veterans Support Centre led by Geoff Harriman and supported by John Painter and Kathy Munslow, all of whom served themselves and do a range of work to support our local veterans—for example, the new veterans' retreat set up in Kidsgrove parish, bringing veterans together to take part in archery, construction and even bee-keeping. I want to personally thank Ron Jeffries, a local businessman who kindly donated some of his land for this vision to become a reality. Will my hon. Friend therefore applaud the work of Geoff, John, Kathy and Ron in supporting our veterans and commit to visiting later this year to show us his skills in the field?

Leo Docherty: I would be delighted to learn about the work of those people in the parish of Kidsgrove—it sounds fantastic. I absolutely join my hon. Friend to thank Geoff Harriman, John Painter, Kathy Munslow and Ron Jeffries for their military service and all they continue to do for veterans in the community. I also thank my hon. Friend for the work he does to support our armed forces personnel. If possible, I would be delighted to visit.

Stephen Kinnock (Aberavon) (Lab): Last month the President of the United States signed off the National Defense Authorization Act, which will ensure that US atomic veterans receive a medal and an official day of recognition for their service. Does the Minister agree that it is time to end the UK's shameful position as the only country not to provide official recognition or compensation for nuclear veterans, and to mark the 70th anniversary of Britain's first nuclear test by finally rewarding our courageous nuclear veterans with the medals they so highly deserve?

Leo Docherty: We will keep this under review but we regard it as a matter for the advisory military sub-committee on medallic recognition.

Topical Questions

T1. [904844] **Chris Clarkson** (Heywood and Middleton) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr Ben Wallace): Colleagues across the House are right to voice their concern about Russia's ongoing aggression towards Ukraine. While we are hopeful for a positive outcome from this week's diplomatic efforts, we are preparing for all eventualities.

Chris Clarkson: May I associate myself with the tributes to the hon. Member for Birmingham, Erdington?

Time and again during this pandemic our armed forces have stepped up, whether by building hospitals like the new Nightingale in central Manchester, delivering vital supplies or getting jabs into arms, and they are now doing it again by supporting our world-leading booster programme. Does my right hon. Friend agree with me that we should thank them for their amazing service and encourage everybody to get that booster?

Mr Wallace: My hon. Friend points out the other job that Defence does, which is building this country's resilience wherever one may be in the United Kingdom. It is always important to remember that our armed forces have a day job—a main job—of defending our country. When we are out of this national crisis and pandemic, it will be important to look at making sure that other people step up to cover. In the long term Defence personnel are always there, whether for floods, pandemic or other threats, and they will continue to be so. That is why it was important that we put soldiers and sailors at the heart of our Defence Command Paper.

John Healey (Wentworth and Dearne) (Lab): Today's US-Russia talks in Geneva start a critical week of dialogue over Ukraine. I assure the Secretary of State that we fully support Ukraine's sovereignty and territorial integrity. As a defensive alliance, it is clear that it is not NATO's but Russia's actions that are dangerously escalating the current tensions. What leading role is the UK playing to ensure that any agreement on the talks is fully co-ordinated with NATO and with European allies?

Mr Wallace: I am grateful to the right hon. Gentleman for his support. I will continue to work with him, and the Leader of the Opposition, to ensure that he is kept informed as much as we can on the situation. That goes for the Scottish National party as well. I have personally been to Ukraine five or six times in my time as Security Minister and Defence Secretary. The lessons of Afghanistan are that as we move together, whether as NATO or as a coalition, we will continue to work with—

Mr Speaker: Order. Topicals are meant to be short, quick and effective. I cannot get through the list if we are going to take them as normal questions.

T2. [904845] **Fay Jones** (Brecon and Radnorshire) (Con): The Future Soldier programme has delivered significant investment for Wales, not least the extremely welcome decision to keep Brecon barracks open. May I invite the

Secretary of State to come to Brecon and visit the home of the Army in Wales so that he can see the operational significance of the barracks?

The Minister for Defence Procurement (Jeremy Quin): I think my right hon. Friend will do so. I have been to Brecon previously with my hon. Friend, who has campaigned relentlessly to retain the barracks, and I was delighted to confirm that that would be the case. It is the right decision for the Army, for Wales and indeed for Brecon.

Stephen Kinnock (Aberavon) (Lab): The Minister made a welcome concession at the end of the debate on the Armed Forces Act 2021 to publish data about investigations and prosecutions. What will the Government do if the conviction rate for one or more of these serious crimes is concerningly low? Will they reconsider their approach? What impact does the Minister think the Act has had on meeting the target of 30% of Army recruits being female by 2030, particularly given that the current trends mean that that target will not be met until 2063?

Mr Wallace: The steps we have taken on judicial oversight, the Judge Henriques review of the service justice system and implementing the Lyons and Murphy reviews mean that we are confident that the changes we have made to the service justice system mean that cases will be better investigated, there will be a better quality of law and that justice is delivered. We are also continuing the work we are doing under Air Chief Marshal Wigston's review to make sure it is a better environment for women to serve in.

T3. [904846] **Felicity Buchan** (Kensington) (Con): We clearly face heightened risk and instability on multiple fronts. Will my right hon. Friend update the House on our readiness to deal with multiple potential flashpoints in different arenas simultaneously?

Mr Wallace: My hon. Friend is right. In anticipation of those training situations, the Defence Command Paper in March and "The Integrated Operating Concept 2025", which preceded it, put in place measures to ensure that our Army is more ready, more forward and more deployable than it has ever been before, because speed and readiness are the one of the best ways to deter our adversaries.

T4. [904847] **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): I am proud to have Erskine veterans home in my constituency. I am also proud of the Scottish Government's veterans fund and their appointment of a Veterans Commissioner. Does the Minister not feel that that should be replicated elsewhere on these isles to ensure that the veterans community are properly represented in decisions taken affecting their welfare?

The Minister for Defence People and Veterans (Leo Docherty): I am pleased to confirm that all the other nations of the United Kingdom do indeed have veterans commissioners.

T6. [904850] **Mr Philip Hollobone** (Kettering) (Con): Strengthening our defence relationships in the Indo-Pacific will be essential to help maintain peace and stability in the region. In that regard, what are we doing to strengthen our defence relationship with Japan?

Jeremy Quin: As my hon. Friend might be aware, we recently announced a closer working relationship with Japan on elements of the future combat air system programme. That followed on from talks that my right hon. Friend the Secretary of State and I had last September in Tokyo. The Japanese Government and we see a lot of benefit in working together on defence equipment programmes.

T5. [904849] **Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): We now know that on 25 October, the RAF carried out a targeted drone killing in Syria. Is that not a major shift in policy? Why was Parliament not informed? When will the Secretary of State set out the legal basis and criteria for that strike?

Mr Wallace: Periodically we come to this House—either myself or the Foreign Secretary—to update the House overall on Op Shader, and we periodically inform the House of all strikes we make. If it has not happened yet, it will happen very soon through the Cabinet Office.

Andrew Jones (Harrogate and Knaresborough) (Con): The Department is investing in emerging technologies around the country as part of the defence supply chain. What steps is the Minister taking to ensure that the next generation of armed forces personnel, including those at the Army Foundation College in Harrogate, are trained to take advantage of them?

Jeremy Quin: I thank my hon. Friend for the question. We have more than 1,000 science, technology, engineering and mathematics—or STEM—representatives. We ensure that about 90% of all non-commissioned roles have the opportunity to take apprenticeships, which go right the way across new areas of skills, including STEM skills. That includes the outstanding Harrogate College. From memory, part of the syllabus includes space, autonomy and cyber. We are ensuring that we are absolutely at the cutting edge.

T8. [904852] **Tony Lloyd** (Rochdale) (Lab): The rise of terrorism in sub-Saharan Africa is continuing and poses a strategic threat to the United Kingdom. In that context—given that the United States is probably downgrading sub-Saharan Africa, and only France is totally committed—what actions will the UK take to bring our allies together on this issue?

The Minister for the Armed Forces (James Heappey): I am not sure I will accept that characterisation of the US position. I thought Secretary Blinken's speech in Abuja was very encouraging. The UK is committed in east, west and southern Africa, against not just the rise of violent extremism, which concerns us enormously, but also increasingly how our competitors and adversaries are using countries to develop their influence. We see that as a bad thing in the long term, and we are seeking to counter it.

Sir Mike Penning (Hemel Hempstead) (Con): If the closure of RAF Halton gets the go ahead—frankly, I do not think it should—the largest town in Hertfordshire will have no military capability on its boundaries. Is there any way we can have a reserve capability—we need the reserves as we go forward—at RAF Halton for the Army and the RAF?

Mr Wallace: My right hon. Friend makes an important point. I have asked to look again at that and some of the rebasing options.

Mr Kevan Jones (North Durham) (Lab): I thank the Minister for Defence Procurement for his letter on the Navy's special purpose vehicle and the changes he has made to the procurement process, but that will not get us away from the fact that the money has to be spent by March, which means that the vessel will be built or procured from a Dutch company, Damen. Why is he not backing British industry? As my right hon. Friend the Member for Warley (John Spellar) said, this is a £10 million contract that will go to a Dutch yard, rather than be spent in the UK.

Jeremy Quin: The right hon. Gentleman has already decided how our competition will end, which is unwise. We have multiple potential providers of a vessel that needs already to have been built, so we are going through a buying process and we will see how that procurement exercise ends.

Philip Dunne (Ludlow) (Con): May I commend my hon. Friend the Minister for Defence Procurement for the care that he is taking in dealing with the challenges of the Ajax contract, and for the transparency with which he is keeping the House up to date with the problems? Does he agree that the production contract, which was entered into in 2014, was characterised by transferring risk to the contractor? Had we followed the practice of the previous Labour Government, trumpeted by the shadow Secretary of State, the risk would have stayed with the Ministry of Defence and the taxpayer.

Jeremy Quin: My right hon. Friend is absolutely right. Had this been like the Nimrod situation, where £3.7 billion was wasted by the previous Government and they attempted to blame it on us, that would have been where we are, but we are not; we have a firm-price contract with General Dynamics.

Joanna Cherry (Edinburgh South West) (SNP): Redford barracks in my constituency has had another stay of execution to 2025. As the UK Government seem unmoved by arguments for retaining the defence estate in Scotland, will the Minister consider transferring the land at Redford to the City of Edinburgh Council so as to offset some of the economic impact of the closure of the barracks?

Mr Wallace: The hon. and learned Lady fails to recognise that we have already moved the 51st Brigade headquarters to Redford, so large parts of the barracks will be retained. Also, Glencorse barracks, which was due to be reduced, will be retained and increased on that site. The investment going into Scotland, through new bases or by securing existing bases, is incredibly important.

Dr Neil Hudson (Penrith and The Border) (Con): From foot and mouth disease to floods and the pandemic, our armed forces have always stepped up in civilian emergencies, but the lesson has always been that this needs to be done as early as possible. Given recent experiences with Storm Arwen, does my hon. Friend agree that measures need to be put in place across all levels of Government so that the armed forces can be deployed in civilian emergencies locally, strategically and quickly?

James Heappey: My hon. Friend is absolutely right. We do have those mechanisms already, with liaison officers in every local resilience forum. The armed forces do an amazing job, whether responding to flooding or, indeed, delivering 521,700 jabs last month alone as part of the booster programme.

Rachael Maskell (York Central) (Lab/Co-op): As a fellow trade unionist, Jack Dromey was a dear friend. His final fight in this place was for Afghan refugees, 13,000 of whom are languishing in hotels—not exactly a warm welcome. Can the Defence Secretary say exactly how he is deploying the defence estate and Annington Homes to ensure that we home these refugees?

Mr Wallace: The hon. Member makes a very important point. I ask all Members of this House to reach out to their local authorities, because a lot of local authorities' words have not been matched by action. I have made available nearly 500 married quarters to those individuals. Of course, very few local authorities were prepared to take up the available married quarters in which to place the refugees. It is important that we all get our local authorities to pull together alongside the rest of the Government.

Building Safety

Mr Speaker: Before I call the Secretary of State to make his statement, I have to express once again my disappointment that important announcements have been made first to the media, rather than to this House. In this case, I accept that issues of market sensitivity meant that announcements had to be made this morning. However, I am told that the announcements were required because of speculation about the policy change over the weekend. That speculation appears to have been substantially accurate, which means that the media appear to have known the details before this House did. If that is the case, I would be grateful if the Secretary of State could confirm that a leak inquiry is to be held.

3.34 pm

The Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations (Michael Gove): With permission, Mr Speaker, I would like to update the House on building safety. Before I do so, I can confirm that I have asked the permanent secretary in my Department to conduct a leak inquiry. It was a matter of considerable regret to me that details of the statement that I am about to make were shared with the media before they were shared with Members of this House, and indeed with those most affected.

It is worth pausing at the start of any statement to reflect on why building safety is an issue of concern to all of us in this House today. It took the tragedy at Grenfell Tower on 14 June 2017, as a result of which 72 innocent men, women and children lost their lives, to put building safety properly on the political agenda. Families were living in a building that was literally a death trap because of failures of enforcement and compliance in our building safety regime. This Government must take their share of responsibility for those failures.

Over four years on from that terrible tragedy, it is clear that the building safety system remains broken. The problems that we have to fix have been identified by many across this House, from all parties. I would like at this point to register my appreciation of the work that the late Jack Dromey did on this issue. He was shadow Housing Minister for three years and he did a great deal, both as a trade unionist and as the Member of Parliament for Birmingham, Erdington, to bring to light the plight of those affected by this crisis.

As we know, there are still a small number of high-rise buildings with dangerous and unsafe cladding that have to be fixed. We know that those who manufacture dangerous products and develop dangerous buildings have faced inadequate accountability so far, and shown insufficient contrition. We also need to ensure that we take a proportionate approach in building assessments overall. There are too many buildings today that are declared unsafe, and there are too many who have been seeking to profit from the current crisis.

Most importantly, leaseholders are shouldering a desperately unfair burden. They are blameless, and it is morally wrong that they should be the ones asked to pay the price. I am clear about who should pay the price for remedying failures. It should be the industries that profited, as they caused the problem, and those who have continued to profit, as they make it worse.

Mr Speaker, we will take action on all of these fronts. To ensure that every remaining high-rise dangerous building has the necessary cladding remediation to make it safe, we will open up the next phase of the building safety fund early this year and focus relentlessly on making sure it is risk driven and delivered more quickly.

We will also ensure that those who profited, and continue to profit, from the sale of unsafe buildings and construction products must take full responsibility for their actions and pay to put things right. Those who knowingly put lives at risk should be held to account for their crimes, and those who are seeking to profit from the crisis by making it worse should be stopped from doing so.

Today, I am putting them on notice. To those who mis-sold dangerous products, such as cladding or insulation, to those who cut corners to save cash as they developed or refurbished people's homes, and to those who sought to profiteer from the consequences of the Grenfell tragedy: we are coming for you. I have established a dedicated team in my Department to expose and pursue those responsible. We will begin by reviewing Government schemes and programmes to ensure that, in accordance with due process, there are commercial consequences for any company that is responsible for this crisis and refusing to help to fix it.

In line with this, just before Christmas, I instructed Homes England to suspend Rydon Homes, which is closely connected to the company that refurbished the Grenfell Tower, from its participation in the Help to Buy scheme, with immediate effect. I also welcome the decision by the Mercedes Formula 1 team and Toto Wolff to discontinue sponsorship from Kingspan, the cladding firm, with immediate effect. The voices of the families of the bereaved and the survivors of the Grenfell Tower were heard, but this is only the start of the action that must be taken.

We must also restore common sense to the assessment of building safety overall. The Government are clear—we must find ways for there to be fewer unnecessary surveys. Medium-rise buildings are safe, unless there is clear evidence to the contrary. There must be far greater use of sensible mitigations, such as sprinklers and fire alarms, in place of unnecessary and costly remediation work.

To achieve that, today I am withdrawing the Government's consolidated advice note. It has been wrongly interpreted and has driven a cautious approach to building safety in buildings that are safe that goes beyond what we consider necessary. We are supporting new, proportionate guidance for assessors, developed by the British Standards Institution, which will be published this week.

Secondly, we will press ahead with the building safety fund, adapting it so that it is consistent with our proportionate approach. We will now set a higher expectation that developers must fix their own buildings, and we will give leaseholders more information at every stage of the process.

Thirdly, before Easter, we will be implementing our scheme to indemnify building assessors conducting external wall assessments, giving them the confidence to exercise their balanced professional judgment. We will audit those assessments to ensure that expensive remediation is being advised only where it is necessary to remove a threat to life.

[Michael Gove]

I will be working closely with lenders over the coming months to improve market confidence, and I have asked my colleague Lord Greenhalgh to work with insurers on new industry-led approaches that bring down the premiums facing leaseholders.

Further, we will take the power to review the governance of the Royal Institution of Chartered Surveyors, to ensure that it is equipped properly to support a solution to this challenge. Those in the industry who refuse to work with us in good faith to take a more proportionate approach should be clear that our determination is to fix the problem for all those caught up in this crisis.

Finally, we must relieve the burden that has been unfairly placed on leaseholders. I want to pay tribute to all those across the House who have campaigned so passionately on this subject. They know the injustice of asking leaseholders, often young people who have saved hard and made sacrifices to take their first steps on the housing ladder, to pay money they do not have to fix a problem they did not cause, all while the firms who made a profit on those developments sit on their hands. We will take action to end the scandal and protect leaseholders. We will scrap the proposal for loans and long-term debt for medium-rise leaseholders.

I can confirm to the House today that no leaseholder living in a building above 11 metres will ever face any costs for fixing dangerous cladding and, working with Members of both Houses, we will pursue statutory protection for leaseholders and nothing will be off the table. As part of that, we will introduce immediate amendments to the Building Safety Bill to extend the right of leaseholders to challenge those who cause defects in premises for up to 30 years retrospectively.

We will also take further action immediately: we will provide an additional £27 million to fund more fire alarms, so we can end the dreadful misuse of waking watches; we will change grant funding guidance so that shared owners affected by the crisis can more easily sub-let their properties, and encourage lenders and landlords to approve sub-letting arrangements; and in the period before long-term arrangements are put in place, I will work with colleagues across Government to make sure that leaseholders are protected from forfeiture and eviction because of historic costs. Innocent leaseholders must not shoulder the burden.

We have already committed £5.1 billion of taxpayers' funding from the Government, but we should not now look to the taxpayer for more funding. We should not ask hard-working taxpayers to pay more taxes to get developers and cladding companies making vast profits off the hook. We will make industry pay to fix all of the remaining problems and help to cover the range of costs facing leaseholders. Those who manufactured combustible cladding and insulation, many of whom have made vast profits even at the height of the pandemic, must pay now instead of leaseholders.

We have made a start through the residential property developer tax and the building safety levy, both announced last February, but will now go further. I will today write to developers to convene a meeting in the next few weeks, and I will report back to the House before Easter. We will give them the chance to do the right thing. I hope that they will take it. I can confirm to the House today that if they do not, we will impose a solution on them, if necessary, in law.

Finally, we must never be in this position again, so we are putting the recommendations of the Hackitt review on building safety in law and we will shortly commence the Fire Safety Act 2021. We are also today publishing new collaborative procurement guidance on removing the incentives for industry to cut corners and to help stop the prioritisation of cost over value. We will legislate to deliver broader reforms to the leasehold system, and also bring forward measures to fulfil commitments made in the social housing White Paper. When parliamentary time allows, we will have legislation on social housing regulation so that social housing tenants cannot be ignored as those in the Grenfell community were for many years.

Four and a half years on from the tragedy of Grenfell, it is long past time that we fix the crisis. Through the measures that I have set out today, we will seek redress for past wrongs and secure funds from developers and construction product manufacturers, and we will protect leaseholders today and fix the system for the future.

3.43 pm

Lisa Nandy (Wigan) (Lab): May I thank you, Mr Speaker, for your kind words about Jack Dromey, who should have been with us here today? There is a space over there that I know Jack would have occupied. Back in the 1970s, horrified by the spectacle of a skyscraper in London that lay empty while people slept rough underneath it, Jack was one of those who occupied Centre Point tower in protest. He was never afraid to speak truth to power, and I hope that today marks the start of all of us across the House invoking his spirit.

Four and a half years after the appalling tragedy at Grenfell, and with a road paved with broken promises and false dawns, hundreds of thousands are still trapped in unsafe homes, millions are caught in the wider crisis, and the families of 72 people who lost their lives are waiting for justice. It is a relief that we finally have a consensus that the developers and manufacturers who profited from this appalling scandal should bear greater costs, not the victims, and that blameless leaseholders must not pay. After a year of hell of the prospect hanging over leaseholders, we welcome the decision to remove the threat of forced loans, but can the Secretary of State tell us what makes him think that he can force developers, who have refused to do the right thing for four years, to pay up? We have been told there is a March deadline and a roundtable, but there is not a plan. If he has one, can we hear it? He will find an open door on the Opposition side of the House, if he has a credible proposal to bring.

Today the Secretary of State warned developers that if negotiation fails,

"our backstop…what we can do…is increase taxation on those responsible",

but that is not quite right, is it? I have in front of me the letter from the Chief Secretary to the Treasury. May I remind the Secretary of State what it says? He was told that

"you may use a high-level 'threat' of tax or legal solutions in discussions with developers"

but

"whether or not to impose or raise taxes remains a decision for me"

—the Chief Secretary—

"and is not a given at this point."

If I have seen the letter, I am fairly sure that the developers have too. Furthermore, it appears that what the Secretary of State has told the public—that tax rises are the backstop—is not what he has told the Treasury. The letter says that

"you have confirmed separately that DLUHC budgets are a backstop for funding these proposals in full…should sufficient funds not be raised from industry."

That is not what the Secretary of State told the House a moment ago, so can he clear this up? Has the Chancellor agreed to back a new tax measure if negotiations fail, or is the Secretary of State prepared to see his already allocated budgets—levelling-up funding, or moneys for social or affordable housing—raided? Or is his plan to go back to the Treasury, renegotiate and legislate, if he fails in March? If that is the case, it will take months, and there is nothing to stop freeholders passing on the costs to leaseholders in the meantime. Does he even have an assessment of how many leaseholders will be hit with whacking great bills if he delays?

If the Secretary of State is serious about going after the developers—I hope that he is—why is he not putting these powers into the Building Safety Bill now? The only trick that he has up his sleeve, as he just confirmed to the House, is to ban them from Help to Buy, and we know that the impact of that, though welcome, will be marginal. Can he see the problem? He will also know that there is a gaping hole in what he has proposed. A significant number of buildings have both cladding and non-cladding defects, and leaseholders in them face ruinous costs to fix things such as missing fire breaks and defective compartmentation. One cannot make a building half safe. Given that the Secretary of State recognises the injustice of all leaseholders caught up in the building safety crisis, why is he abandoning those who have been hit with bills for non-cladding defects, and why will he not amend his Bill so that all leaseholders are protected from historical defects in law?

The truth is that the pace of remediation has been painfully slow. The Secretary of State is now on track to miss the deadline to fix all Grenfell-style cladding by over half a decade, and there are huge delays when it comes to building safety fund applications, so will he get a grip on what is going on in his own Department and ensure that the progress of remediation is accelerated markedly? As he knows, this has been a living nightmare for affected leaseholders, and we owe it to them to bring it swiftly to an end.

What the Secretary of State has given us today is a welcome shift in tone and some new measures that the Opposition very much hope will succeed, but the harder I look at this, the less it stands up. We were promised justice and we were promised change, to finally do right by the victims of this scandal, and that takes more than more promises. It takes a plan.

Michael Gove: I am grateful to the shadow Secretary of State for her questions. First, I entirely agree with the generous and fitting words that she had for Jack Dromey. As I mentioned briefly in my statement, he was a relentless campaigner for social justice throughout his career. Indeed, the role he played in highlighting the plight of the homeless, and the need to act in order to ensure that they had a safe and decent place to live, is one of the many achievements that we will all recall as we think of his contribution. I also welcome the consensual approach that the shadow Secretary of State and her Front-Bench colleagues are taking in seeking to ensure that we place responsibility where it truly lies, and she had a number of appropriate questions to follow up in order to ensure that we deliver effectively.

The shadow Secretary of State made the point that the allocations from the building safety fund so far have been slow and are behindhand, and that is true. I think it is always better to be honest about those areas where the Government have not performed as well as they should, and one of the first things I did as Secretary of State was to ask for all necessary steps to be taken to ensure that that money was spent effectively. Of course, one of the problems we have had is that it is a demand-led system, so we have relied on many of those who have been responsible as the individual owners of buildings to come forward. However, what we are also hoping to do is ensure that, working with the National Fire Chiefs Council, we have the most extensive analysis of all the buildings that need our support and that we accelerate work on the BSF. So her concerns are not misplaced, and it is certainly my intention to ensure that we accelerate and make comprehensive that work.

The shadow Secretary of State also made the point that non-cladding costs do need to be met, and I agree. She specifically requested that we provide amendments to the Building Safety Bill to ensure that there is statutory protection for leaseholders. That is our intention—we intend to bring forward those amendments—and I look forward to working with her and colleagues across the House to provide the most robust legal protection.

The shadow Secretary of State doubted—again, I can understand the basis of her scepticism—whether developers and others in industry, given their past behaviour, would necessarily come sweetly to the table, and that is why it is so important that we have a range of tools available. I think it is important to recognise that there are some developers and some in the industry who have done the right thing, and it is also important to recognise that a spokesman for the Home Builders Federation, Stewart Baseley, today struck a very a constructive and open tone.

However, we do need to have additional backstops, and it is clear that taxes can, if necessary, play a part. I do not want to move there, but we do have the absolute assurance that we can use the prospect of taxation to bring people to the table. All taxation decisions are made by the Chancellor, and no Chancellor or Chief Secretary would ever say anything other than that, but the fact that the Chief Secretary and the Chancellor have authorised me to use the prospect of taxation, and the fact that we already have taxation through the residential property developer tax, shows that we are prepared to take every step necessary.

The final point that was implicit—perhaps explicit—in everything the shadow Secretary of State said is that we will be judged on our actions, and I think that is entirely fair. I recognise, given the scale of the frustration that so many have felt in the past, that ultimately there can only really be satisfaction when we bring this matter to a conclusion. I believe that today marks a significant step forward, but there is more work to do, and I hope that we can conclude that work on a cross-party basis in order to bring justice to those who deserve it.

Mr Speaker: I call the Father of the House.

Sir Peter Bottomley (Worthing West) (Con): I will co-operate, Mr Speaker, and may I say, through you, to the Mother of the House, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), that the tributes to her husband Jack Dromey for his work on people's interests at work and at home will be long remembered, together with that of David Amess, who for 20 years worked on the all-party group on fire safety and rescue with Ronnie King and others?

I believe that this is another step forward that is greatly welcomed and greatly needed, but I think the extension of the liability to 30 years is wrong for those who knew that what they were doing was wrong: 30 years may be fine for those who did it by mistake, but for those who knew what they were doing, there should be unlimited liability both in time and in money.

I hope that the Secretary of State will have a roundtable. If he wants to take over the all-party group roundtable for a summit on this, he can pick up some of the other issues that no doubt he has been working on, but which, to keep his statement reasonable, he may not have covered today.

One problem is the insurance premiums paid by leaseholders for a property they do not own, which may have gone up from an illustrative £300 a year to £3,000 a year. I believe that the Association of British Insurers should be told that the Competition and Markets Authority will look to see whether there is price gouging, in simple terms, and, that if there is some kind of catastrophic reinsurance needed, the Government should help them to make communal arrangements to deal with that, because insurance premiums should come down to the £300 they were before.

The last point of very many I would like to make is that the Treasury will expect to get the benefit of the levy and tax towards the £5 billion already announced, and the contributions that will come in from developers will relieve burdens on residential leaseholders, but the Government should also get the VAT on money that is spent, which is 20% of the total cost. If the total cost comes down from £15 billion to, say, £12 billion, my right hon. Friend can calculate and discuss with the Treasury how much extra the Treasury is getting. The Treasury should not be making a profit out of all this catastrophe.

Michael Gove: I thank the Father of the House for his questions. He is quite right that Sir David Amess, before his sad death, was one of the most prescient and most effective campaigners for improved building safety. His memory is very much in my mind.

The Father of the House makes a point about the need to potentially look at unlimited liability for those who consciously and deliberately operated in a reckless fashion. I will consider that and I am sure it will be considered during the passage of the Bill. On his point that we should work with others, particularly the broad leasehold community who have done so much to identify the way forward, we absolutely intend to do that. The point he makes about insurance premiums is absolutely right. That is why my noble Friend Lord Greenhalgh will be talking to Baroness Morgan of Cotes and others in the Association of British Insurers to ensure that more insurers, like Aviva, do the right thing. I very much note his point about VAT and Treasury contributions. In the ongoing conversations we have with the Chancellor of the Exchequer, I will reflect on the very important point that he made.

Patricia Gibson (North Ayrshire and Arran) (SNP): I wish to echo the sentiments from across the House on the work Jack Dromey did on this issue and his campaigning to get justice for those affected.

It has been almost five years since the Grenfell fire. In that time, we have had four Housing Secretaries and several different policies and approaches to this issue. First the Government would pay, then leaseholders would pay and now developers will pay, all because the Treasury has for so long refused to act further on this issue. The confusion is not only harming homeowners facing a Tory cost of living crisis, but affecting the ability of devolved Governments to plan their responses appropriately. Can the Secretary of State guarantee that this latest policy will be acted on, and will he commit to working with the devolved Governments to provide further clarity? Additionally, can he make it clear when already promised funding will fully and finally be delivered to the devolved Governments for this matter?

Michael Gove: I am very grateful to the hon. Lady for her points. We certainly will work with the devolved Governments. Of course, the residential property developer tax, like all UK-wide taxes, is distributed appropriately in line with the Barnett formula and other requirements, but we will certainly work with devolved Governments. I should say that I am very grateful to the Scottish Government, the Welsh Government and the Northern Ireland Executive for the work they have already done on this issue. We all have much to learn from one another.

Felicity Buchan (Kensington) (Con): I welcome the direction of travel in the statement, specifically that leaseholders will not have to pay for cladding remediation. I am also glad that building product makers are now coming within the scope of Government, not only property developers. I have been personally shocked by some of the revelations coming from the Grenfell inquiry and I think that potentially we need to address the building products sector. May I stress to my right hon. Friend that speed and delivery here is critical? It is now four and a half years since the tragedy in my constituency. What is important is not only having a good plan, but executing it quickly and efficiently.

Michael Gove: My hon. Friend is absolutely right and I am very conscious of the need for speed. I quite agree. If we look at the behaviour of some of the cladding firms, the behaviour of people who work for Kingspan and Arconic, and the evidence presented to the Grenfell inquiry, we see that it is truly dreadful. The individuals concerned must take responsibility. She represents a constituency in which there are many, many people who are effectively trapped because of the failure of the property market to effectively address all these problems. In the interests of her constituents and so many more, and in particular in the interests of the Grenfell community and its fight for justice, I am very conscious of the need to move as fast as we possibly can.

Mr Clive Betts (Sheffield South East) (Lab): I thank the Secretary of State for his statement. I am sure he will welcome an invitation from the Select Committee

to come and discuss these matters further in detail. Just two important issues. First, will he clarify that leaseholders will not have to pay the cost of remediation, including non-cladding work, because that is not exactly what his statement says? Secondly, will he clarify that, apart from the removal of aluminium composite material cladding, the Government will give social housing providers no help whatsoever? If developers do not pay for the measures that he announced today or taxes are not raised, and there are cuts to his budget as a result, will that come off social housing provision as well? What assessment has he done of the total impact on the future building of social housing?

Michael Gove: These are three very important points. First, we will make sure that we provide leaseholders with statutory protection—that is what we aim to do and we will work with colleagues across the House to ensure that that statutory protection extends to all the work required to make buildings safe. Secondly, to ensure that there is not an adverse impact on social housing or on the work that Homes England is leading to bring together and remediate brownfield land for new private-sector development, we will do absolutely everything possible so that, ultimately, those with big balance sheets and big bucks discharge their responsibility. He and I will know that the seven major housing developers do much good work but that in the last three years they made profits of £16 billion. Understandably, people are prompted to ask that those significant sums be devoted to ensuring that the building safety crisis is met, alongside the building supply pipeline of the future.

Robert Jenrick (Newark) (Con): I welcome these further measures to provide critical support to leaseholders and to restore a greater degree of confidence to the housing market. In particular, may I welcome the future support for those in medium-rise buildings? It is a pity that the Treasury did not agree to that proposal in January of last year, but such is the way with this issue. May I ask my right hon. Friend about two particular points? First, he has agreed a backstop with the Chief Secretary to the Treasury whereby the ultimate risk will be borne by the provision of social housing. I am sure that he would agree that it would be quite wrong for social housing tenants and the homeless to pay the price for solving this issue, so will he say that that will not be the case? Secondly, I see that the Royal Institution of Chartered Surveyors has failed to make good on the conversations we have been having for several months, if not years, to instil a more proportionate and sensible approach into the assignment of risk. What further steps—he alluded to some in his remarks—can he take against RICS, because its behaviour is now bordering on scandalous in not taking this issue seriously?

Michael Gove: First, I pay tribute to my right hon. Friend, my predecessor. I have had the opportunity since joining the Department to see just how hard he worked, facing a number of frustrations, to secure justice for those who are our first concern. I heard some comments from some Opposition Members seeking to decry that. If they knew what I know about how hard Robert had worked to try to secure justice, they would not be trying to make a cheap point about it. We all care about this issue, but few care about it as much, and certainly no one currently in this Chamber has worked as hard to try to help those people, as my right hon. Friend. So I am not having it.

The second point that m right hon. Friend made is absolutely right; we need to ensure both that there is more social housing provision and that we improve the quality of social housing—that is a core mission for the Department. His third point, about RICS, is right. There have been all sorts of difficulties with that organisation in the past, but I am now hopeful that we are on a more positive footing. We have the potential to take steps to improve the governance of the institution, but I am hopeful now that, given some of the conversations we have had, including with lenders and others, we can be on a more positive footing. Let me once again underline and affirm my gratitude to my right hon. Friend for his incredibly hard and dedicated work to try to bring this situation to a satisfactory conclusion.

Catherine West (Hornsey and Wood Green) (Lab): My constituents in Eclipse House, Station Road, Wood Green have been suffering for more than a year with astronomical costs to deal with gaps relating to fire doors and external wall insulation. Can the Minister confirm that that is not covered in today's statement? Secondly, what voice will tenants have in the future? One of the worst things about Grenfell is the lack of tenant voice to make good things stick when bad practice is all around.

Michael Gove: The hon. Lady makes two important points. First, the freeholders, as the ultimate owners of these buildings, will be held responsible for all the work that is required, and we will make sure that leaseholders are not on the hook. Secondly, she is right that those who listened to some of the testimony at the Grenfell inquiry, and those who have seen some of the excellent campaigning journalism associated with it, will know that Ed Daffarn and others explicitly warned of some of the consequences of the approach taken at the time. Tenants' voices were not heard, and people died as a result. That is why the social housing White Paper, which my right hon. Friend the Member for Newark (Robert Jenrick) did so much to advance, and the social housing Bill, which will come forward in due course, are so important.

Stephen McPartland (Stevenage) (Con): I welcome this brilliant statement, and I am grateful to the Secretary of State for working constructively with us, across parties, and with the cladding groups to get us to where we are today. Today's announcement is another huge step forward for leaseholders. This is a victory for leaseholders, who will get up to £9 billion of support. We will make those responsible pay and start on the journey.

I seek clarification on two areas. First, cladding is an external fire safety defect, but are developers responsible for internal fire safety defects such as missing fire breaks, which stop fire spreading from one flat to another? Secondly, will there be Government amendments to the Building Safety Bill to make it clear in law that leaseholders are innocent parties and will not have to pay?

Michael Gove: I thank my hon. Friend for his fantastic campaigning on this issue. On the first point, which is linked to his second point, the owners, the freeholders and the responsible figures in charge of these buildings will be held responsible and made responsible for making

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sure that all the work is done to make these buildings safe. We will table amendments to ensure that, on a statutory basis, we protect leaseholders from having costs passed on unfairly by the owners of the freeholds of these buildings.

Jeremy Corbyn (Islington North) (Ind): When the horror of Grenfell happened, many local authorities such as mine responded immediately by inspecting all buildings and taking action as appropriate, as they should have done. The private sector did not do that for many of our leasehold properties.

I had a very sad conversation with a group of leaseholders a month ago. They are completely stuck. They cannot sell or move, they have expanding families and they are faced with massive bills. Can I go to them tomorrow and say that the Government will underwrite all the costs that they have been threatened with so that they can get their building brought up to standard and, if they wish, sell and move on? Or will there be months and months of delay until the private sector decides not to pay and the Government intervene? I think those leaseholders, like leaseholders all over the country, deserve an immediate answer. They have been through too much stress.

Michael Gove: Perhaps for the first time, I am almost wholly in accord with the right hon. Gentleman. Leaseholders deserve speedy action, but I do not want to overpromise. I believe we can rapidly relieve the difficult situation in which his constituents find themselves. I do not think it can be immediate, but I intend to ensure it is as quick as possible.

Please forgive me for making this point, but I agree with the right hon. Gentleman that many in local government, across parties, were far quicker to respond to this crisis than some in the private sector, which is shaming.

Mr Andrew Mitchell (Sutton Coldfield) (Con): My right hon. Friend will be aware that this whole issue has caused extraordinary misery, anxiety and upset, and I had the opportunity this morning to speak to Jim Illingworth of BrumLAG. He, my right hon. Friend the Member for Newark (Robert Jenrick) and our friend Jack Dromey have worked closely, and he was clear that he is very grateful for this progress. We are seeing a mixed economy of response, although there are clearly issues of timing and other details, which I have no doubt that my right hon. Friend the Secretary of State will need to address. I hope that he accepts that he needs to crack the whip on this, but is he not well able to do so?

Michael Gove: I am grateful to my right hon. Friend for his point. I had the chance to chat to Jim Illingworth and other cladding campaigners earlier today and he is absolutely right. I know that my right hon. Friend, as a Birmingham MP, is all too well aware of how many people in that great city are affected by this crisis, and I look forward to working with him and others to resolve it as quickly as possible.

Kim Johnson (Liverpool, Riverside) (Lab): A retired teacher in my constituency invested in a property in 2015, but just before Christmas, they were issued with a massive bill for £200,000 for an increase in their costs, and remedial work on their property will cost a possible £9 million. Will the Secretary of State agree to meet me and the leaseholders to talk about how the policy change will benefit them?

Michael Gove: I am grateful to the hon. Lady and I will make sure that either I or others in my Department have those conversations as quickly as possible.

Sir Mike Penning (Hemel Hempstead) (Con): I welcome the statement today and the work that the Minister for Housing has done with colleagues across the House to explain how the policy will go forward, because this has been a nightmare for leaseholders. I have two quick questions. First, if leaseholders have already paid money out, will they get that money back from the freeholders or the developers? Secondly, on the issue of insurance, which was raised earlier, does the Secretary of State realise that even though people are liable for the costs of building insurance, they have no rights at all in the policy? When the situation occurs, they cannot claim against the policy; only the freeholder can do so. That must get changed in the Bill.

Michael Gove: There are few people in the House who know as much about fire safety as my right hon. Friend. We will certainly work with him to explore the specific insurance provisions that he mentioned. I cannot, unfortunately—I would not want to mislead him—say that we will be in a position to compensate those who have already contributed. We are seeking to ensure that individuals do not face costs in the future, but again, I will work with colleagues across the House to try to get to the most equitable position possible.

Daisy Cooper (St Albans) (LD): I look forward to seeing the amendments from the Government about how leaseholders will be protected, because my constituents in St Albans, like many others, have had too many false dawns. I want to ask about the Secretary of State's review of proportionality. In the past, building safety assessors have been chosen because of their willingness to recommend the less expensive safety work, and that has created a race to the bottom. Will he confirm that the BSI guidance will be mandatory for building safety assessors, and will he put protections in place so that assessors do not get away with offering the lightest touch mitigations that they can?

Michael Gove: First, I thank the hon. Lady—it is always difficult for me to praise a Liberal Democrat, but she has been campaigning consistently on this issue for some time and has done a great job of bringing to light some of the defects that need to be addressed. It is the case that the BSI work, we believe, will ensure a properly proportionate approach. There are incentives either way—incentives, sometimes, for some to seek to do work on the cheap and for others to exaggerate the scale of the work that may be required to generate business. I hope, however, that a truly proportionate and safe approach will now be followed as a result of the BSI's work.

Royston Smith (Southampton, Itchen) (Con): I joined this campaign a year or so ago because, as the Secretary of State said in his statement, leaseholders are blameless

and it is morally wrong to make them pay. I look forward to seeing this become part of the Bill so that leaseholders know that they will never have to pay. However, let me go back to insurers: not only are they increasing premiums by up to 1,000% for people who cannot really afford the premiums that they were paying before, but insurers are part of the problem. They were indemnifying these developers and underwriting these developments. They are part of the warranty issue and yet, this has not been brought into scope as part of the solution, so will the Secretary of State look again and make sure that insurers have to pay in the way that developers will?

Michael Gove: My hon. Friend makes a very important point and his campaigning has been a significant factor in helping us to get to the right, or certainly to a better, position. We want insurers to be part of the solution, as we want everyone to be, and Lord Greenhalgh is doing great work with them. I am sure that there will be an opportunity before too long for me to explain in greater detail, with Lord Greenhalgh, to my hon. Friend and others the progress that we are making, but he is absolutely on the button in pointing out some of the mistakes that have been made that need to be addressed by the insurance sector.

Kate Green (Stretford and Urmston) (Lab): I note that the Secretary of State said he would extend the right of leaseholders to challenge those who cause defects retrospectively for 30 years, but he will be aware that unscrupulous developers such as Mr Jason Alexander in my constituency exploit loopholes in company law with the result that there is no corporate entity to go after because it has been wound up, struck off or stripped of assets. Can he say what work he is doing with the Department for Business, Energy and Industrial Strategy to ensure that those loopholes in company law are closed? Can he also tell us whether the obligations that developers will now face as a result of his statement today will take precedence over their other financial obligations?

Michael Gove: The hon. Lady makes two important points. On the first point, yes, this has been a feature. I was not fully aware, until I took on this responsibility, of how some within the development industry play fast and loose with the rules and set up special purpose vehicles, shell companies and so on to evade their responsibilities. They exhibit the unacceptable face of capitalism, I am afraid, and she is right to say that work requires to be done to bring them appropriately to account. I will be working with colleagues across Government to do just that.

Esther McVey (Tatton) (Con): I welcome the Secretary of State's announcement today but, like others, I will be awaiting the detail, not least because I was calling for leaseholders to be protected from the cost of cladding when I was a Minister in the Department. So what has happened to change the Government's mind?

Michael Gove: As so often, my right hon. Friend is ahead of her time. There have been any number of occasions, including recently, when I have had to acknowledge that she has been right and the rest of us have been wrong, and this is one of those occasions.

Barry Gardiner (Brent North) (Lab): Today the Secretary of State has told us what many all across the House told the Government three years ago—namely, that individual leaseholders trapped in unsafe homes should not have to bear the cost of making them safe. But today's statement focuses on cladding, whereas the vast majority of leaseholders are suffering in unsafe homes as a result of other insulation and fire stopping defects. How will he address that? He has told the companies to pay up, but many have now gone into voluntary liquidation. We need a windfall tax on the whole industry now. Far too many leaseholders have been waiting for three and half years in purdah. Many of them, like my constituents in Central Square, have been waiting since 31 July even to get a response from the BSF. Can the Secretary of State get his own Department to be a bit more expeditious?

Michael Gove: The hon. Gentleman makes a number of important points. Yes, the Department needs to be more expeditious and yes, we are focused on doing just that. Yes, it is important that the freeholders—the ultimate owners—deal with all the fire safety issues and yes, it is absolutely right that, while ACM cladding is the most egregious example of buildings being unsafe, there are many other issues that require to be tackled.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I welcome my right hon. Friend's statement. It is long overdue. Many in my constituency and elsewhere face huge bills, as he knows. The biggest problem is getting the developers to talk to those who have suffered. I spent two years trying to get representatives of Telford Homes to meet the leaseholders, but they have now gone to ground and will not say a word. The Government have been talking about talking to developers for some time now but nothing has come of it, so, with all due respect, how is my right hon. Friend going to drive them—and the insurance companies that insured those that have gone out of business—to meet the leaseholders? Taxes can take time, so what about instantaneous fines?

Michael Gove: By any means necessary. My right hon. Friend is absolutely right. My preference is, wherever possible, to proceed consensually and to think the best of people. There are undoubtedly many people in the property development sector who have done the right thing and others who hope to do so, but if we need to, we will deploy heavier artillery to ensure that we get the necessary support to those on the frontline.

Sarah Jones (Croydon Central) (Lab): I welcome the statement, which is certainly a step in the right direction.

There are many tall buildings in my constituency. Some of the issues affecting them, and the costs that they bear, are very complex, and do not involve anything that would be covered today. Two blocks, Longitude and Altitude, have to pay for compartmentalisation, and although Bridge House—which is over 18 metres tall—is cladded, its cladding is not categorised as the right type to qualify for funding under the Government's scheme. Some of my constituents live in blocks where the developer has gone bust and the freeholder is overseas, and they have a tenuous relationship with the managing agent. It is very difficult to get any information. Can the Secretary of State say something about that wider issue and what can be done about it, and what is his estimate of the cost of making all these buildings safe?

Michael Gove: The hon. Lady has made a series of important points. I know that she has already been in touch with the Department, but I want to be more closely in touch with her. Our project team, Operation Apex, are making sure that we can do everything possible to ensure that the ultimate responsible owner is identified and takes on responsibility for the work to which the hon. Lady has correctly drawn attention. I look forward to working more closely with her to address precisely that issue.

Joy Morrissey (Beaconsfield) (Con): I thank my right hon. Friend for standing up for leaseholders, particularly young people who have just got on to the housing ladder. May I ask him to look again at sprinklers as a safety measure? They are required in many countries, and the fact that they are not required here has always perplexed me. I also ask him to ensure that the building materials used for social housing are subject to the necessary level of scrutiny. Developers often use lower-quality materials which create a greater risk to safety, and we need to protect social housing tenants as well.

Michael Gove: My hon. Friend is absolutely right. She was an incredibly hard-working figure in local government in London, where she helped to ensure that the needs of those in social housing were understood. There are specific provisions in the building safety legislation introduced by the Minister for Housing, my right hon. Friend the Member for Tamworth (Christopher Pincher), to address some of those questions about poor-quality material social housing.

Sammy Wilson (East Antrim) (DUP): It is right that leaseholders should not be held responsible for the faults of builders in the past, and I therefore welcome the statement. However, given that housing is a devolved matter in Northern Ireland, I assume that what we are discussing today will not automatically apply there. What discussions has the Secretary of State had with the Communities Minister and the Finance Minister—both of whom are responsible for these housing and building regulations issues—given that Sinn Féin seem to take the view that anything that emanates from this place, regardless of how beneficial it is to people to Northern Ireland, is not acceptable?

Michael Gove: Those are very fair points. I have written today to Ministers in the Northern Ireland Executive and the other devolved Administrations to outline the approach that we propose to take. I will work with Ministers from whatever party—I absolutely take on board the point made by the right hon. Gentleman—to ensure that we get to the right position. I am grateful to the First Minister, Paul Givan, for the support he has given us overall in the run-up to this announcement: it is much appreciated.

Mark Logan (Bolton North East) (Con): Everyone remembers their first visit to Bolton, but on his next visit, will the Secretary of State come with me to Holden Mill in Blackburn Road and Astley Bridge to meet residents and see the progress that has been made on the removal of cladding, but also to discuss with them issues relating to poor build quality and how the Government can fight their corner?

Michael Gove: I certainly will, and I am grateful to my hon. Friend, who is a very effective advocate for Bolton.

Janet Daby (Lewisham East) (Lab): May I add my voice to those who have spoken of the sudden passing of Jack Dromey? He was a truly pleasant and decent person. Let me also convey my condolences to the Mother of the House, and especially to his son, Joe Dromey, who I know very well, and knew especially well when we were councillors together in Lewisham.

Leaseholders are feeling anxious and angry about the delays, and the uncertainty about when the cladding will be removed from buildings and associated safety problems will be dealt with. That includes residents of the Parkside development in my constituency. The developers and the housing association have said that they will start to look at doing the remediation work in the spring, but will provide no absolute guarantee that any costs will not be passed on to the leaseholders. Will the Secretary of State review this case in order to provide the certainty that leaseholders in my constituency so desperately need?

Michael Gove: Yes, I absolutely will. I thank the hon. Member for bringing that to my attention.

Mrs Maria Miller (Basingstoke) (Con): I welcome my right hon. Friend's statement and his sheer determination not only to hold people responsible for the wrongdoings they did but to stand up for leaseholders. However, building owners are still dragging their feet, delaying essential remedial works, even though they might be eligible for Government funding. What incentive can he give today to those building owners to complete the works as soon as possible and not put concerns about their own financial liabilities, however theoretical, above the concerns and safety of residents in those blocks?

Michael Gove: My right hon. Friend is absolutely right. It is certainly the case that many already enlightened owners have done just that. But one thing we are saying today is that ultimately we will ensure in law that it is the ultimate owner of the building that is responsible for that work, so the incentive is to move now for fear of consequences later.

Florence Eshalomi (Vauxhall) (Lab/Co-op): It is good to see the Secretary of State acknowledge the unjust treatment of buildings under 18 metres in particular. However, it appears that what he has outlined will involve a voluntary contribution from developers, which may take a while. The leaseholders in my Vauxhall constituency do not have a while to wait. They are fed up of waiting. It has been four and a half years. They want solutions now. So will he confirm that he absolutely understands the urgency that leaseholders want to see and call on those developers to take action now?

Michael Gove: Absolutely. Again, I do not want to over-promise, but I do recognise the need for speed.

Bob Blackman (Harrow East) (Con): The complexity of this issue has been highlighted by the Secretary of State's statement and by the questioning. May I challenge him on one point? As my right hon. Friend the Member

for Hemel Hempstead (Sir Mike Penning) said, thousands of people will have received large bills and many will have paid them. The Secretary of State is saying that he will take statutory powers in the Bill that is coming before us. When will that happen? Once the House has voted on those powers, will that be the operational date for bills not to be presented to leaseholders, or can leaseholders who have refused to pay the bills thus far say, "Thank goodness—I don't have to pay anything"?

Michael Gove: My hon. Friend, who has been a consistent campaigner in this area, makes a very good point. Again, I do not want to make a cast-iron commitment at the Dispatch Box on the operational date, but I will work with him and others as we frame the legislation and ensure that he has access, in so far as it is possible, to the legal advice we have, so that we can stress test it and provide the maximum level of protection.

Rachel Hopkins (Luton South) (Lab): I have spoken to many leaseholders in my constituency who have struggled with issues around fire safety and cladding and the impact that has had on their mental wellbeing. We raised that issue in the Building Safety Bill Committee and the response was that those people should access mental health support through their GP in the usual way. We know the pressure GPs are under at the moment, so will the Secretary of State bring forward any additional measures in the light of his statement to support leaseholders' mental health?

Michael Gove: It is the case that some leaseholders face additional vulnerabilities. Some have had mental health problems and other leaseholders living with disabilities have particular problems. It is important that we develop a comprehensive package for all, so I will look into that.

Mary Robinson (Cheadle) (Con): I welcome the announcement and thank my right hon. Friend for listening to leaseholders who have faced the prospect of bankruptcy because of defects that needed to be put right. In confirming that he will keep in mind that other defects may come to light when cladding is removed, will he commit to looking at that and ensuring that the bodies responsible for the cladding crisis cannot find a place to hide and will be pursued to pay for it?

Michael Gove: Absolutely. I totally agree with my hon. Friend that we need to take all means to pursue those who are ultimately responsible. We also need to recognise that, exactly as she said, when remediation work is undertaken, sometimes other flaws are revealed, and they need to be addressed.

Clive Efford (Eltham) (Lab): I associate myself with all the comments that have been made about my colleague, Jack Dromey.

I welcome the steps forward that we take every time a Secretary of State comes to the House and makes a statement, but it is the steps backwards that we make after those statements that are causing me problems. I have a property in my constituency that is about 18 metres high. The residents have done their own survey and say that it is over 18 metres. The management agency says that it is over 18 metres and should therefore qualify for the building safety fund. These issues though are difficult to resolve. Meanwhile, the residents have been paying out £28,000 a month for waking watch for nearly four years. How retrospective will these measures be? Will my constituents be compensated for what they have unfairly had to pay out? It would have been far cheaper to put in a fire alarm system than to continue paying waking watch. Will we see an end to the EWS1 forms or will RICS come back at us and say that we cannot possibly do that, as it has done before?

Michael Gove: I can totally understand the hon. Gentleman's frustration. As my hon. Friend the Member for Harrow East (Bob Blackman) pointed out, and as the hon. Gentleman's question lays bare, there is a complex set of inter-related problems. We are making money available to ensure that we can get rid of waking watch in all save a very few circumstances. I recognise that there are people who have faced costs so far, but it depends on individual circumstances as to whether or not—depending on the ultimate owner of the building—they can receive compensation. I do not want to make any guarantees about that in a blanket way today.

On EWS1 forms, we can dramatically reduce their use as a result of the engagement that we have with lenders and with RICS. Again, it will still be the case that, in the meantime—even as we get a more proportionate approach—there will be some 11-to-18 metre buildings where work of that kind will be required, but we absolutely want to reduce it.

Ben Everitt (Milton Keynes North) (Con): I welcome the commitment of the Secretary of State to hold to account those responsible for this. It is morally wrong that leaseholders should foot the bill. I know that this announcement and this progress will be welcomed by residents of Vizion apartments in Milton Keynes as well as by thousands and thousands of others across the country. Can he confirm that this means that the Government are accepting the principle of polluter pays in this instance? How confident is he that the cowboys will cough up without additional taxation?

Michael Gove: We do accept that principle, and we will do everything that we can to round up the wrong 'uns. I do recognise, none the less, that we are dealing with some individuals who have behaved unscrupulously in the past and who will do everything to evade their responsibilities, which is why we need tax as a backstop.

Hywel Williams (Arfon) (PC): There are many Welsh victims of this particular scandal, including in my own Arfon constituency and elsewhere in Wales, as I am sure the Secretary of State will be hearing about. I am very much in favour of holding the industry to account, but I have to tell him that long experience of trying to hold the cavity wall insulation industry to account, albeit as a Back Bencher, has not been encouraging, so I wish all power to his elbow on that matter. I was glad to hear him say that he will be working with the Governments in Wales, Scotland and Northern Ireland. Can his officials look at the issue of companies that work from England and are subject to its strictures, but that also work in Wales, as that might be a complicating factor?

Michael Gove: We absolutely will. I am very grateful to the hon. Gentleman for the approach that he outlines. Indeed, we want to work with the Labour-Plaid Cymru Administration in Wales in order to get to the right result.

Dr Matthew Offord (Hendon) (Con): I am very grateful to the Secretary of State for his statement, but I gently remind him that those who have worked hardest on this issue are Conservative Members supporting their constituents. Two in particular—my hon. Friends the Members for Southampton, Itchen (Royston Smith) and for Stevenage (Stephen McPartland)—have worked incredibly hard on this issue. Will the Secretary of State confirm that no leaseholder—living in the building or not—living in a building of 11 metres or lower, or having problems with external or internal building defects, will pay any costs whatever?

Michael Gove: My hon. Friend makes an important point and allows me to place on the record my thanks to my hon. Friends the Members for Southampton, Itchen (Royston Smith) and for Stevenage (Stephen McPartland). I completely agree that their campaigning has been incredibly important. It is our intention that the ultimate owner of a building is responsible for all of the safety steps that are required, and we will use statutory means in order to ensure that that happens. That is what we will seek to do with the help of colleagues across the House.

Fleur Anderson (Putney) (Lab): I, too, welcome the statement's commitment to leaseholders and the fact that it puts businesses on notice, giving them the chance to do the right thing. When will the deadline be up for that chance to do the right thing? Without it, we could just be kicking the can down the road. Leaseholders in Putney will want to know when they can expect to be able to sell their homes and to move on. Will there be a Government guarantee—a letter or similar that they can use with estate agents and others—so that they can move on with their lives? Finally, residents in a Putney building of just under 11 metres have been given a bill of £1 million for remediation. Will they be covered by this?

Michael Gove: I will look at the specific case of the building of just under 11 metres that the hon. Lady mentions. More broadly, I would absolutely love to be able to provide people with reassurance that from tomorrow the cloud will be lifted, but as a number of Members have pointed out, there is a complex set of interrelated problems. I believe that we have a means of dealing with them all, and I also appreciate that we need to move at speed. I will come back to the House before Easter with an update on the measures we have taken. I will work with colleagues across the House in order to ensure that we have the right statutory underpinning. Again, I want to confirm that we require everything to go right in order to be able to help everyone who is currently facing difficulties. We will do everything we can. I hope the hon. Lady will appreciate that I would not want at this stage to provide an absolute guarantee for people whose specific circumstances I am not yet familiar with.

Kelly Tolhurst (Rochester and Strood) (Con): I thank my right hon. Friend for his statement, which I very much welcome, and I am incredibly grateful to his Ministers for the time they have spent listening to my concerns and those of residents of The Wharf in my constituency. They have suffered from a lack of transparency and clarity on the work required and whether it needs to be done. As we speak, the management company, Y&Y, is applying to the tier 1 tribunal for costs. What assurances can my right hon. Friend give my constituents, who are very concerned about any outcome that would leave them with bills of between £10,000 and £20,000, payable within the next six months?

Michael Gove: Absolutely the intention of today's statement is to try to address the concerns raised so powerfully by my hon. Friend on behalf of constituents who face those imminent bills. I am really grateful to her for drawing attention to the immensely hard work being done by Ministers in the Department. The Minister for Housing, Lord Greenhalgh and the Under-Secretary of State for Levelling Up, Housing and Communities, my hon. Friend the Member for Walsall North (Eddie Hughes), who has responsibility for rough sleeping, have all been working incredibly hard to engage with colleagues across the House and with others in order to try to move this forward. It has been a collective effort and I am very grateful to my colleagues for that.

Neil Coyle (Bermondsey and Old Southwark) (Lab): It is four and a half years since Grenfell. The Secretary of State has made clear today that the Government have failed to solve the problem, but he then said that his chief action has been to write a letter to developers to ask them to come along to a meeting. That is simply not good enough for the thousands of leaseholders affected in Southwark. The biggest threat in this statement is to allow the backdating of action against those who have installed unsafe products over 30 years, but it is leaseholders who will be forced to take on the legal and other burdens involved, including the fees. Will the Secretary of State therefore amend the Building Safety Bill to finally clarify responsibility and load the burden where it belongs—on the developers, builders and manufacturers—so as to properly protect leaseholders, as Ministers have promised multiple times but which today's statement fails to deliver?

Michael Gove: The proposals that the hon. Member enjoins on me are the ones that we are seeking to bring forward. However, in fairness to the hon. Member, for whom I have a great deal of respect—he is a courageous and doughty campaigner—I can understand a degree of cynicism and/or scepticism, given some of the missteps we have had in the past. If we manage to make progress along the lines that he has outlined, I hope that he will be in a position then to say that his worst fears were not realised. I think it is perfectly legitimate for him, at this stage, to want to see the colour of other people's money.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): Morello Quarter in my constituency has issues not only with cladding but with other building defects such as the apparent lack of firebreaks. Will my right hon. Friend include those in the scope of the measures, or should I go back to my residents and tell them to pursue legal action against the developers, who do not want to engage with me or with them, to try to get a resolution and certainty?

Michael Gove: It is our intention to ensure that those who are ultimately responsible—the ultimate owners of the freehold or the real owners of the building—pay in order to make it safe, but I will look specifically at the example that my hon. Friend raises to ensure that we can do everything we can to provide his constituents with the reassurance they deserve.

Stephen Timms (East Ham) (Lab): Will the Secretary of State spell out how the statutory protection he has announced will help leaseholders in developments such as Waterside Park, built by Barratt in my constituency, which does not have a cladding problem, but where apartments have become valueless because of other serious building defects—missing firebreaks and unsafe insulation? How exactly will the statutory protection help them?

Michael Gove: I rely on the right hon. Gentleman's description of the building, but we will talk to Barratt or whoever is the ultimate owner in order to ensure that they live up to their responsibilities, and there are steps that we can take. We will outline what they are when we bring forward appropriate amendments. We will make sure that we test those amendments with him and others to ensure that they meet the need that he has correctly identified. There is still a little bit of legal work to be done to ensure that the amendments are as robust as possible.

Stephen Hammond (Wimbledon) (Con): I warmly welcome my right hon. Friend's statement and the work that the Minister has done as well. I hope it will bring resolution to people in blocks of flats in Plough Lane in the centre of Wimbledon and in Chorus properties. Can my right hon. Friend confirm that he will expect and, if necessary, require lenders to base their lending decisions in future on the new risk mechanism, because clearly distress has been caused by people being trapped in their houses?

Michael Gove: My hon. Friend is absolutely spot on and that is what we will seek to do.

Andy Slaughter (Hammersmith) (Lab): The Secretary of State has been asked by both sides of the House about protecting social landlords and tenants from remediation costs. Will he answer that point, bearing in mind that the biggest social landlords have said that their new housing programmes will be cut by 40% over the next five years if they have to cover fire safety costs themselves? Affordable housing is at particular risk, as yesterday's fire in New York showed. Will he study the lessons from that fire, especially as some of the victims were on the lower floors, which he appears to say are at lower risk, and that lack of compartmentalisation rather than cladding was the cause of most of the deaths?

Michael Gove: I know that the hon. Gentleman, not least as a former council leader, has considerable experience in this area. He is right that the fire in New York reminds us of the range of risk, and he is also right that we need to take appropriate action to ensure that registered social landlords, housing associations and others are not hit adversely. We need to balance a set of competing goods, but ultimately—as he will appreciate—the most important thing is to make sure that people are in decent, safe homes and that there are more decent, safe homes built where people need them.

Caroline Nokes (Romsey and Southampton North) (Con): My right hon. Friend spoke earlier about lifting the cloud that is hanging over leaseholders. Can he provide reassurance to residents such as those in Banning Street in Romsey, where the building is sub-18 metres, the freeholder is a housing association and the defects are cladding related, that they will be swept up in his reforms? They are looking at costs of £15,000 to £20,000 per leaseholder for new fire escapes, which may well not even be needed. Can he provide reassurance that they will be helped?

Michael Gove: I will absolutely look at that specific case. I do not want to say any more at this point, but my hon. Friend raises a very important point. One of the things with housing associations and other registered social landlords is that we need to make sure that the balance of responsibility is appropriate.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): Sadly, cladding is not one of the only risks to building safety: flooding is another huge risk. While the Secretary of State is open to looking at amendments to building safety in general, will he also look at strengthening the standards for all new public and private buildings in terms of flood resilience? The Secretary of State promised me a meeting with the relevant Minister to discuss my flooding Bill and, as he is a man of his word, I am sure that date will arrive soon in my email inbox.

Michael Gove: The hon. Lady makes two very important points. We have already changed regulation with regard to flooding, but more could be done. I will ensure that either I or the relevant Minister sees her before the end of February, if that is okay.

Alun Cairns (Vale of Glamorgan) (Con): I warmly welcome my right hon. Friend's statement, which will yield significant benefits directly for leaseholders in England. As he has acknowledged, this policy area is devolved and therefore responsibility in Wales falls to the Welsh Government. However, the UK Government, through their initiatives, may well raise significant sums of money for this purpose. What conclusion has he drawn on whether that funding should be ring-fenced for that specific purpose in Wales, rather than diverted to other purposes?

Michael Gove: My right hon. Friend makes a very important point. We of course respect the devolution settlement, but he is absolutely right that money generated for building safety should be devoted, as far as possible, to building safety. I will work with him and others to ensure that the focus is maintained in the way he outlines.

Daniel Zeichner (Cambridge) (Lab): It was a good weekend for Cambridge United, but sadly the misery continues for so many people in and around Cambridge who find themselves trapped in buildings that were not built to the expected standards. As we have heard, it is not just about cladding; it is also about fire breaks and so on. For so many of those people, lack of an EWS1 form means that they cannot move—they are absolutely trapped. What in the Secretary of State's statement can give them confidence that they will be freed from that trap?

Michael Gove: I congratulate the hon. Gentleman and all supporters of Cambridge United, and I extend my sympathies to Newcastle and Arsenal fans, given the unfortunate events of the weekend. On his very important point, I hope that the withdrawal of the consolidated advice note and its replacement with the BSI-approved PAS 9980 will play a part in helping his constituents

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and others to be in a position once again to operate fully in the property market. Lenders to whom I have spoken have given our proposals a fair wind so far, but obviously engagement needs to continue.

Crispin Blunt (Reigate) (Con): In welcoming my right hon. Friend's statement, may I draw his attention to the situation at Nobel House in Redhill? The development has 126 apartments, 86 of which are privately leased, but the ownership of the freehold has changed twice. The managing agents failed to make an application to the initial £1.6 billion building safety fund. I was told in June that a new fund of £3.5 billion would be coming forward, but that is yet to materialise and leaseholders are already having to pay over £2,000 each towards the cost of this exercise. Can they be fully reassured that they will get their money back, given the ownership status of the building?

Michael Gove: My hon. Friend raises a very important case. I will look at what we can do to help his constituents. I will not make an absolute promise from the Dispatch Box at this point, but the situation he describes is clearly unacceptable.

Ruth Cadbury (Brentford and Isleworth) (Lab): The shadow Secretary of State said that we cannot make a building half safe, but some residential buildings are possibly more dangerous than others. In October 2020, over 800 leaseholders and students were evicted from the Paragon blocks in Brentford, with one week's notice—that is how dangerous they were deemed to be. They were built using a modular form of construction, and the eviction came two years after the flammable cladding had already been removed. I have reason to believe that the Paragon situation—there are other examples across the country—was a result of the modular form of construction, to which the out-of-date building regulations do not apply, as well as poor, shoddy and badly supervised construction works. When will the Secretary of State bring up-to-date building regulations through the system, and when will he address the lamentable culture in the construction industry, which the counsel for the Fire Brigades Union at the Grenfell inquiry described as being driven by an

"agenda of deregulation, privatisation and marketisation"?

When will he do something about that?

Michael Gove: The hon. Lady makes an important point about modular construction. Through the Buildoffsite Property Assurance Scheme guidance, we require appropriate adherence to principles with modular construction, which should keep buildings safe. She is right that the Grenfell inquiry has also had a number of accounts from a number of witnesses that raise issues of concern. Although it is important that we continue to take action even before the inquiry concludes, I would not want to pre-empt the inquiry's conclusion on all the issues she mentions.

Damian Green (Ashford) (Con): My right hon. Friend is entirely correct that this is a substantial step forward, and he and the Minister for Housing, my right hon. Friend the Member for Tamworth (Christopher Pincher) are to be congratulated on it. May I return to the subject of those developers and companies that have gone broke and disappeared since they did the things for which the Secretary of State has rightly castigated them? Some of those have disappeared not for nefarious reasons. Has he quantified how much money will be absent—how big a hole there is in the money that ought to be available—for compensation from such companies? Who is going to fill that hole?

Michael Gove: My right hon. Friend makes a very good point. We want those we can identify as the responsible owner or freeholder of properties to contribute to and meet the needs of fire safety costs, but we are already looking at the wider development community and at construction products manufacturers to help to ensure that we have sufficient resources to provide relief to leaseholders everywhere.

Hilary Benn (Leeds Central) (Lab): I join the tributes to Jack Dromey. Our shock is all the greater because we thought that he would always be with us; the whole of his life was dedicated to being there for others, as a representative of workers who was very proud to serve his constituents.

I welcome the statement that the Secretary of State has made today. It represents progress—loans were never going to work; they were unfair. However, my constituents will have listened very carefully to the exchanges between the Secretary of State, my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the Select Committee and the hon. Member for Harrow East (Bob Blackman) on the question of liability for non-cladding costs. I have many constituents, as do other Members, whose bill is on the mantelpiece, staring at them. Given that the Secretary of State has offered statutory protection, what are they meant to do with those bills? Can they confidently say, "I do not have to worry about that now, because the Government are going to sort this out"? When he talks about statutory protection, he mentioned protection against forfeiture and eviction. May I add a third risk to that list, which is bankruptcy? That is what many people are facing if they are ever forced to pay these bills that they are not responsible for and cannot afford.

Michael Gove: The right hon. Gentleman is absolutely right: such people are not responsible for these problems and in many cases they cannot afford the bills. I would not want to give advice precipitately to any individual at the moment about their particular circumstances without knowing every aspect of their particular circumstances, but it is vital that we move as quickly as possible. What I will want to test with him and others is the efficacy of the legislative solution that we propose to bring forward, because I am confident that it will help enormously, but I want to be in a position where he and others have an opportunity to stress test it, so that we get the best possible protection.

Dr Julian Lewis (New Forest East) (Con): Everybody welcomes the statement of principle that it is immoral that innocent leaseholders should pay for remediation of something which was not their fault, but if that is immoral for the future, it is also immoral for everybody who has been pursued ever since the disaster at Grenfell Tower. Therefore, may I urge the Secretary of State to revisit the answers he gave to my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) and my hon. Friend the Member for Harrow East (Bob

Blackman), because otherwise he will be creating a perverse incentive for people to come down on leaseholders and extract rip-off fees before any legislation comes into play if it is only going to be forward-looking?

Michael Gove: I very much take my right hon. Friend's point. We will try to ensure that the legislation deals with the potential perverse incentive to which he alludes.

Paul Blomfield (Sheffield Central) (Lab): In opening his remarks, the Secretary of State acknowledged that the problem is not simply developers' negligence but a failure of regulation, for which the Government are responsible. Leaseholders will fear that today's announcement will have the effect of kicking a solution further down the road, causing delays for those who have been trapped in an intolerable position for far too long. Does the Secretary of State accept that the best way of seeking a solution is for the Government to fulfil their responsibility by acting to fix the faults without delay and then using all their powers to recover the money from developers and those responsible?

Michael Gove: I absolutely take the hon. Gentleman's point, but I think that the legislation we are bringing forward helps to address some of the regulatory failures to which he alludes. I also think it is important to wait for the conclusions of the Grenfell inquiry before apportioning appropriate weight on the responsibility that rests on central Government, the responsibility that rests on local government, and the responsibility that rests on others. I believe the proposals that we have put forward today are the best and most expeditious way of ensuring that we can provide support to leaseholders, but of course we will keep that under review.

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests as a chartered surveyor.

I warmly welcome today's announcement. May I ask my right hon. Friend about two aspects that he has mentioned in the statement—namely that the indemnity given to building assessors and the proper auditing assessment should enable lenders and insurers to offer those products at reasonable rates fairly quickly? That, in turn, will get the market moving, so that those leaseholders who desperately need to move should soon find that there will be a market for them to do so.

Michael Gove: My hon. Friend is absolutely right. That is exactly our intention, and it is the fruit of the work read by my hon. Friend and others.

Justin Madders (Ellesmere Port and Neston) (Lab): As a co-chair of the all-party parliamentary group on leasehold and commonhold reform, I pay tribute to all the campaigners up and down the country who have done a sterling job at keeping this issue on the political agenda. They will certainly welcome the principle, set out in the statement, that innocent leaseholders must not shoulder the burden. I hope that applies equally—not just to cladding, but to any other fire safety defects and to the cost of the interim safety measures that have been necessary. The Secretary of State recognised that in the statement by referring to the extra £27 million for waking watches, but leaseholders will have already paid out thousands of pounds for waking watches. Should they now expect some reimbursement for those costs?

Michael Gove: I completely understand and appreciate the concerns expressed by the hon. Member. We are seeking to avert additional costs in the future. It will be difficult for us to make good all the injustices that have been visited on his constituents and others. I do not want to oversell what we are putting forward. It is a significant step forward, but it cannot resolve every issue from the past. I enjoyed listening to the conversation that he and the Father of the House had on Times Radio at the weekend, and I echo the very generous comments that he made about the Father of the House.

Claire Coutinho (East Surrey) (Con): I thank the Secretary of State for his actions today, particularly scrapping the loan scheme for medium-sized buildings, which will help constituents of mine such as Susan Seal and the Russell Square residents in Horley. I really welcome the onus that he is putting on developers. Does he agree that, along with the other things he has talked about, transparency can be an effective tool in getting people to do the right thing? Would he speak to whether naming and shaming could be part of the solution?

Michael Gove: My hon. Friend is absolutely right. One of the things that we saw just before Christmas with the Kingspan-Mercedes deal is the way in which public pressure from the Grenfell community meant that a very big corporate—Mercedes—did the right thing. I am very grateful to Toto Wolff and his team for doing that. We need to use a variety of tools, and my hon. Friend is absolutely right that transparency is critical.

Jim Shannon (Strangford) (DUP): May I convey my own and my party's sincerest sympathies to the family of Jack Dromey at this time of great grief and sorrow? He made a significant contribution in Westminster Hall last Thursday, and he will be missed—I want to put that on the record.

I thank the Secretary of State for his statement and for his clear commitment to finding a solution for everyone in this process. It is clear to me that that is what he intends to do, but can the right hon. Gentleman outline what steps he is willing to put in place to ensure that the burden of the cost of replacing cladding is not on the tenants alone? Too many tenants of one-bedroom apartments are being asked to pay thousands of pounds towards this from low wages, while developers are sitting pretty. Will the Secretary of State liaise with the Chancellor to see what tax breaks could be offered to developers who do the right thing by their tenants?

Michael Gove: I am grateful to the hon. Gentleman for his points. He is right that there are people in small, one-bedroom flats who have been faced with huge costs, which are totally disproportionate and from which we need to relieve them.

Secondly, he makes an important point about being as supportive as possible of developers that do the right thing. A debate such as this will inevitably concentrate on those who need to take additional responsibility, but it is important to stress that many developers, housebuilders and people in the property sector have done the right thing, and we should applaud them for having done so.

Kevin Hollinrake (Thirsk and Malton) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests. I welcome my right hon. Friend's statement, which ticks all the boxes needed to solve this crisis, not least pointing the finger at construction product manufacturers. There is no doubt they have gamed the system to get some of their products approved inappropriately, but that gaming was facilitated by the Building Research Establishment, which, as my right hon. Friend knows, was privatised about 25 years ago. Will he make sure that these manufacturers contribute towards the costs of remediation and will he consider bringing the Building Research Establishment back under public ownership?

Michael Gove: My hon. Friend is incredibly knowledgeable about all matters of property and housing. On the first part, absolutely. On the second part, that is a tempting thought, but I will have to discuss it with the Chancellor.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): Since last April, I have been seeking answers for a constituent in Cambuslang who has been trying to sell a flat between 11 metres and 18 metres, which was wrongly assessed to have failed the EWS1 form because of cladding. The Scottish Government have launched a free-of-charge assessment pilot, but details about the full roll-out and remediation payments are still pending. What discussions has the Secretary of State had with the devolved Administrations about remediating buildings across the UK at greater pace?

Michael Gove: I wrote to and was in touch with the Scottish Government, the Welsh Government and the Northern Ireland Executive earlier today, and I look forward to working with them. As the nature of the debate has reinforced, there are people in every party who are interested in practical solutions. That is incredibly helpful in helping to relieve the problems faced by the hon. Lady's constituents, and by so many others.

Tom Hunt (Ipswich) (Con): I welcome the statement, particularly on 11 metres to 18 metres. That includes flats owned by many of my constituents, who will get a great sense of relief from that. There are still concerns, as colleagues have mentioned, about non-cladding issues. The section of the statement about restoring proportionality was very interesting, but I do not want to be in the same position in three or four months of talking to a leaseholder who cannot sell their property because of non-cladding issues, so the proof will be in the pudding.

An issue that has not been raised is that when the cladding remediation work is carried out, the living conditions those who still live in the building have to live through are often unacceptable. I am certain that if my right hon. Friend visited St Francis Tower in Ipswich, he could not but share my anger at the conditions in which my constituents have to live. I invite my right hon. Friend to St Francis Tower to see the conditions that they are expected to live in.

Michael Gove: My hon. Friend makes an important point that sometimes work that is absolutely necessary involves a degree of disruption to people's ordinary lives that is incredibly painful. Whether it is me or another Minister, we will make sure that someone comes to Ipswich to listen to my hon. Friend's constituents. He is an incredibly effective advocate for them, and it is only right that we hear direct from them.

Dr Ben Spencer (Runnymede and Weybridge) (Con): Some of the most distressing conversations I have with constituents are with those who have been caught up in this scandal, as are some of the most distressed constituents I have met. They are trapped, unable to move and face unknown costs, none of which is their fault. I warmly welcome the raft of measures announced today, as will they, but the next question will be, what next? What will happen and how quickly? I urge my right hon. Friend to clarify the measures that he has set out as soon as possible, to drive this forward and to bring them the certainty they desperately need.

Michael Gove: My hon. Friend and constituency neighbour is absolutely right that people will want greater detail, and greater detail soon. I look forward to working with him and others to provide them with the required reassurance. As I mentioned earlier, although we believe these measures have the potential to resolve many of the issues, I would not want to say that every single individual's problems will be resolved. We will do everything we can to proceed at speed in providing help.

Nick Fletcher (Don Valley) (Con): I refer Members to my entry in the Register of Members' Financial Interests. I welcome today's announcement, and I am sure many families in my constituency will welcome it, too. Only this weekend we have seen a tragedy in New York, and I am sure I speak for every Member in saying that my thoughts and prayers go out to all affected. This was another electrical fire, and we still have a situation in this country where whether a flat's electrical installation and appliances are tested depends on the tenure of the flat. It is like only rented cars having an MOT. I have raised this previously, and I will continue to raise it until we do something about it. Safe electrics and safe appliances means fewer ignitions and fewer fires, which means fewer lives lost.

Michael Gove: My hon. Friend makes an incredibly important point. Of course there are things we need to do to ensure building safety when it comes to construction products and materials, and when it comes to the quality of development and building control, but he is right that the fundamental aspects of wiring, power supply and electricity in our homes need to be addressed if people are to have the safe homes to which they are entitled.

David Johnston (Wantage) (Con): Last week I led a debate on the broader issue of developers and house builders making large profits from low-quality homes that cause problems for owners and local communities. Does my right hon. Friend agree that the safety issues he seeks to tackle today are on a list of issues that people see with these companies, albeit that they are the most serious? That means the public will be very unsympathetic if they see further foot-dragging in trying to get a satisfactory solution.

Michael Gove: My hon. Friend makes a very important point, and he tempts me into a broader debate to which I will return. In a nutshell, many people involved in housing provision, construction and development produce

safe, beautiful homes with concern for the environment that enhance our communities, and we need more homes that are safe, decent and sustainable. There are also problems in the system, and the behaviour of certain actors needs to be addressed.

Everyone in this House wants to work with the industry, because having a home of our own is such an important part of our aspirations and ambitions, but we must recognise that more work needs to be done so we can be proud of the sector. I know that was at the heart of the points my hon. Friend made in his Westminster Hall debate.

Mr Deputy Speaker (Mr Nigel Evans): I thank the Secretary of State for escaping the BBC lift this morning so that he could come here to make his statement and respond to questions for more than 90 minutes.

NUCLEAR ENERGY (FINANCING) BILL (PROGRAMME) (NO. 2)

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

That the Order of 3 November 2021 (Nuclear Energy (Financing) Bill (Programme)) be varied as follows:

(1) Paragraphs (4) and (5) of the Order shall be omitted.

(2) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on the Motion for this Order.—*(Mrs Wheeler.)*

Question agreed to.

Nuclear Energy (Financing) Bill

Consideration of Bill, not amended in the Public Bill Committee

New Clause 1

REPORT ON PROPOSED PAYMENTS TO A NUCLEAR ADMINISTRATOR OR RELEVANT LICENSEE NUCLEAR COMPANY

"(1) Prior to making payments for the purpose described in section 41(2)(c), the Secretary of State must prepare and publish a report on the proposed payment and must lay a copy of the report before Parliament.

(2) Before the payment is made, the report under subsection (1) must be approved by the House of Commons."—*(Alan Brown.)*

Brought up, and read the First time.

5.8 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): I beg to move, That the clause be read a Second time.

Mr Deputy Speaker (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 1, in clause 1, page 1, line 15, at end insert—

"(6) "Owned by a foreign power" means owned by a company controlled by a foreign state and operating for investment purposes."

This amendment is a definition of "foreign power" set out in Amendment 2.

Amendment 2, in clause 2, page 2, line 14, at end insert—

"(c) the nuclear company is not wholly or in part owned by a foreign power, and

(d) the fuel rods for the company's reactor are supplied by a UK based company."

This amendment prevents the Secretary of State from designating a nuclear company owned or part-owned by the agents of a foreign power and ensures that the fuelling of the designated company's reactor is provided by a UK based company.

Amendment 6, in clause 3, page 3, line 8, at end insert—

"(e) detail of any public funding agreed as part of the project development and the services being provided for this funding."

Amendment 9, page 5, line 21, at end insert—

"(4A) The Secretary of State must lay a report before Parliament in respect of each project in relation to which a nuclear company has been designated under section 2(1) before exercising the power under section 6 (1), setting out—

(a) the expected overall capital cost of the prospective project,

(b) the expected up-front cost of the prospective projects,

(c) the general terms of the project for the sale of electricity onto the grid, including—

(i) a statement of whether the Government has offered the nuclear company a minimum floor price mechanism for the sale of electricity onto the National Grid,

(ii) the minimum floor price mechanism included in any arrangement including any inflationary or baseline indices, and

(iii) the duration in years of any such arrangement under sub-paragraph (ii); and

(d) how decommissioning costs of the project will be met, including in the event of insolvency of the nuclear energy company, setting out any role for—

(i) revenue collection contracts, including any percentage specifically dedicated to decommissioning costs;

(ii) protection of decommissioning payments for time of need;

(iii) insurances; and

(iv) consumer risk."

In respect of new nuclear projects, this amendment would require the Secretary of State to lay before Parliament a report on the up-front and overall expected cost of the project, details of any agreement reached terms for the sale of electricity onto the National Grid and how decommissioning costs will be met, including in the event of the nuclear company becoming insolvent.

Amendment 8, page 6, line 15, at end insert—

"(n) provision about penalties the Secretary of State may apply if the level of power outages of a nuclear reactor results in up to 60 non-operational days in a 12 month period."

Amendment 3, in clause 7, page 7, line 8, at end insert—

"(3A) When exercising the power in subsection (1), the Secretary of State must not cause the excess of expenditure being incurred over the allowable revenue cap to lead to further charges upon revenue collection contracts."

This amendment prevents the Secretary of State from allowing the levy of further consumer charges should an increase in allowable revenue be agreed following increases in costs or timescale of a nuclear project.

Amendment 4, page 7, line 8, at end insert—

"(3A) When exercising the power in subsection (1), the Secretary of State must publish a statement setting out how an adjustment in the company's allowed revenue is to be made without relying on revenue collection contracts."

This amendment requires the Secretary of State to set out how an adjustment to allowed revenue, following an increase in costs or time, is to be provided for by means other than additional customer levies.

Amendment 7, in clause 11, page 10, line 2, at end insert—

"(1A) The Secretary of State must exercise the power under subsection (1) to require each designated nuclear company to make an annual report of—

(a) the number of outages of each reactor, the reasons for outages and the total number of non-operational days per outage, and

(b) an assessment of the operational lifespan of the reactor and its key components and details of all safety inspections carried out."

Amendment 5, in clause 32, page 24, line 24, at end insert—

"(5A) In the event that a relevant licensee nuclear company cannot be rescued as a going concern, or if a transfer of the undertaking to a wholly owned subsidiary does not result in the establishment of a going concern, the Secretary of State must establish a Government-owned company into which the assets, liabilities and undertakings of the relevant licensee nuclear company may be transferred in order to allow electricity supply to be commenced or continued at the nuclear installation in respect of which the relevant nuclear licensee holds a nuclear licence."

This amendment ensures the continuation of a nuclear project where a failed company cannot be rescued as a going concern or successfully have its assets transferred to a subsidiary.

Amendment 10, page 24, line 26, at end insert—

"(7) Prior to a transfer falling within section 32(3), the Secretary of State must lay a report before Parliament.

(8) The report under subsection (7) must set out—

(a) the liabilities associated with the nuclear company;

(b) any estimated costs of getting the plant operational again if it has been temporarily shut down;

(c) the estimated lifespan of the nuclear power station; and

(d) decommissioning costs and confirmation of any funding provided by the nuclear company for this purpose."

This amendment would require the Secretary of State to publish a report on the matters listed prior to any transfers falling within clause 32(3).

Alan Brown: I express my condolences on the untimely passing of Jack Dromey. I pass on my sympathies to his family, particularly the Mother of the House.

I rise to speak to new clause 1 and amendments 6 to 9 in my name. I make it clear at the outset that I still oppose the Bill. The strategy is completely wrong, but I tabled these amendments to seek transparency and to see whether there is any seriousness to ministerial words about their willingness to consider amendments and their openness to further parliamentary scrutiny.

Let me start with amendment 9, which is all about ensuring that Parliament has a fuller understanding of what sums are involved and what commitments the Government will be making as regards any new nuclear project. The Minister has been very good at telling us about the mythical savings that will accrue via the regulated asset base funding model introduced by this Bill—they are estimated at between £30 billion and £70 billion.

What the Government are not so good at is telling us what money they want to commit for the likes of Sizewell C. In effect, they are telling us, "Let's save money for bill payers by signing up to a less bad deal for a new nuclear project." According to the impact assessment, the capital and financing cost is going to be in the region of £40 billion to £60 billion for a new nuclear power station. It is a strange logic to tell us that £50 billion being added to our energy bills at the time of a cost of living energy crisis is somehow a good thing. By default, the Government are also confirming just how much of a stinking, rotten deal Hinkley Point C was for bill payers if we are saying that we can save that much money compared with the contracts for difference model for Hinkley C.

We know that eye-watering sums are intended to be committed, but the Bill, as it stands, gives the Secretary of State carte blanche to sign off on a new nuclear deal. Amendment 9 tries to address that by setting out key criteria that should be laid in a report before Parliament. In Committee, and at other times when there has been quizzing on cost transparency, we have been given the con trick, "We cannot share that information for commercial confidentiality reasons." If Parliament is told that the capital cost of a new power station is some £23 billion, which is the current estimated cost for Hinkley Point C, we do not know what the breakdown of that £23 billion is, so there is no way that that would breach commercial confidentiality. We have a right to know what up-front costs are being committed to or forced on bill payers, and it is important we know that for any deals on the sale of electricity. As I said, at the moment the Government tell us how much money the RAB model will save, but they want to continue to be vague on how much a new project will actually cost. We have the smoke and mirrors argument that it is a basic RAB payment that somehow, in the future, gets partially negated with the sale of electricity to the grid.

In Committee, the Minister also argued that if the capital cost of the project was somehow known, it would be harder to raise capital in the private markets. That is a nonsense argument, given that other infrastructure

projects have their costs put in the public domain while capital is still to be raised. I would have thought it advantageous for it to be in the public domain how much capital is required to be raised, in order to generate competition for that capital investment. Initial capital-raising discussions would need already to have been held to get some assessment of the viability of the project as it was being developed. Lines about market sensitivity and best value just do not stack up as a counter argument.

We also need to know what other costs are committed to during the anticipated construction period. Under the RAB proposals, consumers will start to pay money as soon as construction begins, but they are not committed to the full construction cost because that gets spread out over the 60-year operational contract period. It is only right that bill payers know what costs are being committed to at the outset before that final sign-off of a 60-year contract.

Amendment 9 also tries to get transparency about the sale of energy. We are told there will not be a strike rate, but to me it is not credible to believe that some £50 billion-worth of capital and financing costs will be committed for a 60-year operational plan without sufficient confidence on the returns from the sale of electricity. Ministerial clarity is required, and that is why it would be good to have the Government commit to having to report on that.

For example, in a briefing in favour of the Bill, the Prospect union has come up with the ridiculous supposition that if energy prices in the market are at the right level in the future, RAB payments could reduce to zero. Are we seriously supposed to believe that is a credible proposition? Equally, are we supposed to believe that if wholesale electricity prices drop to a certain level way below the operational costs of the nuclear plant in generating electricity, the nuclear company will just carry on regardless, because it carries all the risks? It might not be a strike rate as we understand it in terms of the contract of difference scheme, but given the scenarios I have painted, some sort of guarantee will be looked for and it might be a minimum floor price on the sale of electricity. If so, we should know about it as parliamentarians and bill payers. If there is not a minimum floor price in future and the risk lies with the developer or is somehow baked into the RAB payments, we should know and understand that as well. Otherwise it is about continued closed-door negotiations hidden from the public who are actually paying for it.

Amendment 9 tries to shine a light on what would otherwise be that closed-shop negotiation by a Government who still have not learned the lessons from their desperation to sign off on Hinkley Point C at any cost whatsoever and seem destined to do so again with Sizewell C, just this time with a different model and the bill payers carrying a greater level of risk through the RAB model. I would expect any parliamentarian here who believes in some form of parliamentary scrutiny to be happy to have the Secretary of State obliged to report on the capital cost, any up-front committed costs and any future sale of energy contracts as a basic form of transparency, as amendment 9 seeks.

5.15 pm

Another important aspect of amendment 9 is decommissioning. At present, decommissioning and tidying up the existing nuclear legacy is another albatross around the necks of taxpayers. An estimated £132 billion is to be spent in the next 100 years. This sum increases every time the Nuclear Decommissioning Authority gets new information and updates the estimate. We are told, in this case, that decommissioning is baked into the up-front prices of the contractual agreement going forward. Amendment 9 therefore tries to elicit more information on this aspect. We understand that construction can take 10 to 15 years, and that thereafter there is supposed to be a 60-year operation of the new nuclear station before decommissioning occurs. The defuelling stage takes up to five years before the rest of the site can be properly dismantled. How robust will be the decommissioning costs that are baked into the up-front contract, which means that they are estimated to be some 75 years ahead of when the decommissioning task is supposed to begin?

It is clear that there are massive financial risks surrounding this. Insurances or bonds must be required if there is to be any chance that the liability does not just pass to the bill payer in future, especially if the nuclear company becomes insolvent. We also need protections to ensure that it does not become an attractive proposition in future for a company to become insolvent and simply pass on the liabilities. Amendment 9 seeks to get some clarity for Parliament on those considerations.

Amendment 6 is also about transparency of costs—in this case, the up-front costs, or costs borne by the taxpayer. Much of the rationale for the amendment is the Budget commitment in the Red Book of £1.7 billion to enable a final investment decision for a large-scale nuclear project in this Parliament. That is an astonishing sum of money to commit taxpayers to. In Committee, the Sizewell C Consortium stated that it had no idea where that £1.7 billion comes from, and the Minister still has not been able to explain it to me, either in Committee or following a written question.

Again, I suggest that for full transparency, parliamentarians need to know what money is being thrown at nuclear projects up front and what the likes of this £1.7 billion actually procure. At the moment, all we know is that it is what the Treasury thinks is required to get Sizewell C to final investment stage. However, this sum of money could otherwise be used to see major construction of renewable projects. It could see the Coire Glas pumped hydro storage scheme constructed and the Cruachan Dam pumped hydro extension undertaken. Instead, at the moment, it looks as though it will be spent on design, accountancy and lawyer fees. This is despite the fact that we are continually told that Sizewell C is practically designed already by utilising the design from Hinkley Point C. If this money for development is for other purposes such as, as has been mooted, a stake in the consortium, then we should still know what it is being utilised for. It should not be too much to ask this of Government for them to accept amendment 6.

Amendment 7 tries to get some clarity on the operation of the plant going forward. The great myth of nuclear power is that it is supposed to be so reliable and provides base-load. We keep hearing that nuclear power is required for when the wind does not blow, but the reality is that nuclear is too inflexible to be properly compatible with intermittent renewables, and a nuclear station is either on or off—that is the limit of its flexibility. From the answer to a written parliamentary question I submitted before Christmas, it also seems that nuclear power stations tend to go off for way longer than would be

expected if nuclear power were so critical and reliable. Looking back at the year-on-year average since 2010, each nuclear power station is down for nearly 25% of a typical year. If we look at Hartlepool, each reactor is down for 90 days a year on average. Dungeness was down for nearly 200 days a year on average until its early closure. Even Sizewell B, the youngest power station in the existing fleet and the one with the greatest remaining lifespan, has been non-operational for 64 days a year on average since 2010. To me, that is truly astonishing and again destroys the argument for why new nuclear is required.

As one of the witnesses in Committee stated, each nuclear station actually requires further nuclear as a back-up because of all those outages. Amendment 7 would provide Parliament and bill payers with at least some clarity on how a new station was performing in its ability to generate electricity at times of need.

Amendment 7 would also provide for annual reporting and assessment of the condition and operability of a station. If we look at the existing fleet of nuclear reactors, we see how the anticipated lifespan and operation of a plant can change quickly, with Dungeness closing seven years early. Considering how it was effectively offline for the preceding two years, had Dungeness been subject to the report requirements I am asking for, at least Parliament would have understood the situation there. They would probably have elicited more questions from parliamentarians about the state of that power station. If we are looking at a 60-year operational contract—bear in mind that no nuclear power station in the UK has ever reached the 50-year milestone—it is important that, as a plant ages, parliamentarians and bill payers understand the performance of the station and, critically, its operational lifespan and any liabilities and repairs that are required. That is what amendment 7 seeks to ensure.

Amendment 8 is linked to the operation of the plant and allows for penalties if the plant is down too long. It seems logical, if we take the Government argument that nuclear power is critical, that we need to minimise the risk of extended outages. Amendment 8 would do that by giving the Government the ability to impose penalties and seek financial recovery if a station was down for too long. I have inserted a suggested timeline of 60 days, which I think is a reasonable point for penalties to kick in, especially when we look at the recent historical performance of the existing fleet. That still allows a station to be down for 15% of the time in a typical year before penalties are incurred.

Amendment 10 is also about transparency, this time in the event of a nuclear company becoming insolvent. It is only right that the taxpayer understands the liabilities the Government are willing to pick up in the event of insolvency. Compelling a report on the costs of getting a plant operational again, what its remaining lifespan is and any other liabilities that might not be covered any more due to insolvency, such as decommissioning, might at least focus minds on the merits of continuing to operate a plant or not. Otherwise, we remain in the position where the Secretary of State could be writing blank cheques that Parliament is unaware of.

John Redwood (Wokingham) (Con): The hon. Gentleman is raising some important questions about cost and reliability. What is his recommendation as to what the Government should do to make the position better?

Alan Brown: My ideal recommendation would be not to invest in a new nuclear plant. That would be the first thing, but if we take the situation as it is and look at the position going forward, the Government first need to satisfy themselves on the design. Bear in mind that the EPR system is still not working anywhere in the world. The whole point of the amendment is to at least have yearly assessments and reports to Parliament that advise on reliability. As I say, that would allow parliamentarians to understand that, challenge the Government if need be, and help to put pressure on nuclear consortiums if they were not performing to plan. That, for me, is critical to actually getting what has been signed up for.

Wera Hobhouse (Bath) (LD): Does the hon. Gentleman agree that increasingly, the view that we need a permanent base-load for energy supply is outdated thinking, and that most modern thinking around the idea of energy supply all day, every day is that we do not need the idea of base-loads anymore?

Alan Brown: I agree wholeheartedly with that. Actually, as far back as 2015, Steve Halliday, the then chief executive of National Grid, said that baseload was an "outdated" concept and a false argument, so I agree with that. This goes back to my point that nuclear is too inflexible because it is either on or off, and it is actually nuclear that leads to wind turbines being turned off so often. The bizarre thing is that nuclear has hidden costs because of the energy constraint payments that are made.

To return to the amendments, our amendment 10 relates to clause 32, as does Labour's amendment 5. I would point out, as I stated in Committee, that I do not support the Labour amendment because I believe that compelling the Government to take over a plant confirmed to have been economically unviable would be throwing good money after bad, which is the polar opposite of the rationale behind our amendment 10. However, to be fair, I certainly support all the other Labour amendments, particularly those about foreign ownership, and I will be happy to support them if they are pushed to a vote.

Finally—people will be glad to know—I turn to new clause 1. This is another attempt at transparency in what could otherwise be the Secretary of State committing huge sums of money via the special administration route. Again, I do not think it too onerous for the Secretary of State to have to report to Parliament on the likely costs of a bail-out of an insolvent company.

In Committee, the Minister argued that it would hamper the process, but given that the SAR process is only being implemented for the first time through Bulb going bust, it is unclear to me why a report to Parliament would unduly delay the anyway complicated process of going through the courts. The Minister stated that the court process would provide enough transparency, but also that the reporting requirement might have commercial implications and affect the Secretary of State's ability to bring the administration to an end. Both aspects of that cannot be true: there is enough transparency or there is not. It seems to me that reporting to Parliament should not hinder the transparency process, and it should not have commercial implications, so this new clause has been put forward to ensure clear reporting of information to Parliament.

In conclusion, I have made it clear from the outset that this Bill lacks transparency. Clauses 2 and 3 give way too much power to the Secretary of State to assess

what he or she believes to be a value-for-money nuclear project and then commit bill payers to paying for it. While I am opposed to the Bill, I have not even proposed wrecking amendments because the amendments today are all designed to ensure that, first, parliamentarians and, secondly, bill payers know exactly what money is being committed and for what reasons.

If the Government have faith in their arguments that nuclear energy is required and that it represents true value for money, it seems to me that they should willingly accept these amendments and new clause 1. If the amendments get defeated in votes, we will know that it is all about continued backroom deals that they fear will not stand up to scrutiny if they were to report on the actual sums.

John Redwood: I welcome proposals that will create more generating capacity in the United Kingdom. As the Minister knows, I am extremely worried that we are already typically 10% dependent on imported electricity and that the current plans envisage our becoming more import dependent, with the preferred route for electricity provision being the construction of more interconnectors. I am worried about this on security grounds, because we link ourselves at our peril into an energy-short system on the continent of Europe that is far too dependent on Mr Putin and Russian gas. I also worry about it because we are short of electricity and gas at the moment, and we see the price pressures that that creates. I think we should be doing more to expand the supply of both electricity and domestic gas.

I think the Scottish National party has made some important points, although it comes at nuclear power from a different perspective from that of the Government. While we could usefully enjoy more nuclear power, it is very important that those projects are timely and cost-controlled, with technologies that will deliver reliable power on a sustainable basis. Does the Minister agree that nothing in this legislation, and nothing that he can now do, can prevent the proportion of our electricity that is generated by nuclear from declining for the whole of this decade? As I understand it, these projects take a long time to get type approval and financing, and a long time in construction. As I also understand it, all but one of our current nuclear power stations is scheduled to close by 2030, and although one large new nuclear power station should come on stream during that period, it will not offset all the capacity that is taken out.

5.30 pm

So, it would be misleading to suggest that nuclear power can do anything to solve our problem this decade. I do not want to get in the way of it solving the problem for a following decade—we need to think ahead and these are very long-term projects—but the context of this debate is that we will be energy short for the next decade, and that even with the best intentions of this legislation and the possible schemes that would come under it, we are not going to do anything to contribute to resolving our energy shortage in the decade that we now face.

I would also like the Minister's thoughts on the pace of the roll-out of nuclear power, if this Bill goes well and is passed with suitable amendment. What would he expect to see by way of incremental capacity for the following two decades after 2030, if all went well with the ideas embedded in this legislation, given the state of the technology and the rather imperfect supply of capacity? Above all, does he have plans for smaller nuclear where it might be possible to approve a project more quickly and then scale it up and roll it out in more than a few locations?

Bob Seely (Isle of Wight) (Con): The purpose of small modular nuclear reactors—we are going to be building 10 or 15 of them—is to enable us to bring the price down. Is my right hon. Friend also concerned that 18 major projects in oil and gas exploration have seemingly been put on hold, given that we need those projects and those fields to come online now?

John Redwood: Yes. I fear I may be wandering a little from the actual Bill, Mr Deputy Speaker, but given the general context of energy shortage and the crucial role that gas has been playing in recent months in generating electricity, because we are short of nuclear power and short of wind power when the wind does not blow, I would strongly recommend that we get on with exploiting our own gas reserves. That is greener and cheaper than relying on gas being brought halfway round the world in a liquefied natural gas tanker or on Mr Putin's gas routed via the continent. That is probably an argument for another day, but I am grateful to the Deputy Speaker for allowing me to answer my hon. Friend's very good point.

In conclusion, I would like the Minister to set out a little bit more of the context of when nuclear might start contributing to our electricity demand and need, and how he sees the balance of that developing between small nuclear being rolled out at greater scale and the one or two large nuclear projects that might still be around. Also, given the hugely radical electrical revolution that the Government wish to encourage, with switching home heating from predominantly gas to electricity and switching much transport from predominantly diesel and petrol to electricity, we are going to need a massive expansion of total capacity. Would he agree, however, that we are starting from a position where we do not have enough capacity for our current levels of demand and where the nuclear element of that capacity will contract quite a lot over this decade?

Wera Hobhouse: As a lifelong anti-nuclear power campaigner, I could not fail to speak in this debate or to represent the views of the many Bath constituents who have written to me over the last weeks and months about voting and speaking against this Bill. We need to get to net zero by 2050 at the latest, but do we need nuclear power to get there, and is nuclear energy a fair deal for our consumers? While nuclear power is not a carbon fuel, it is enormously expensive, costing twice as much as generation from renewables. In answer to the right hon. Member for Wokingham (John Redwood), I believe that we just need to roll out renewable energy. We have the capacity. Britain is a country surrounded by sea, and there is a lot of wind further out. Projects such as floating wind are out there—I speak to that industry a lot. If only the Government had the political will to make that renewable energy revolution happen.

John Redwood: What difference would it have made if we had had double our wind capacity in recent weeks when it was supplying only 2% of our total electricity because there was no wind?

Wera Hobhouse: As I said, there is the potential for offshore wind, particularly further out where the wind blows all the time—the right hon. Member needs only to talk to the industry about that—if only the Government were prepared to invest much more in that and not just rely on the small projects that we currently have.

Yes, we doubled our offshore wind capacity thanks to the Liberal Democrats in government—some time ago now—but there is still no level playing field for the renewable energy sector. We speak of this again and again. If only the Government were prepared to set a regulatory level playing field, we could see a lot more renewable energy to cover our energy costs.

Let me repeat that while nuclear power is not a carbon fuel, it is enormously expensive, costing twice as much as generation from renewables, and in the end that cost will fall on the consumer. We have seen the disasters of that in recent weeks. Quite apart from the long-term costs of decommissioning, disposal and storage of waste, nuclear is an unusual technology that sees costs rise instead of fall over time. In other words, it has a high need for Government subsidy.

The Government say that the Bill is about saving consumers money by removing barriers to private investment in the nuclear sector, but that is misleading. Their proposed regulated asset base funding model provides no protection for consumers; instead, evidence shows that costs under this model for abandoned nuclear power stations have still been passed on to consumers.

Let us look at what happened in the United States, where a version of the regulated asset base model—early cost recovery—was introduced more than 10 years ago. As in Britain, ECR was sold to policy makers as a way of lowering the cost of capital, thereby making nuclear power more competitive with other sources of generation. However, the lower capital cost was not a true saving. The nuclear renaissance's 2009 peak consisted of applications to build 31 units pending at the Nuclear Regulatory Commission. Of those, 29 have been cancelled, and despite expenditure exceeding $20 billion, no new US nuclear plants have gone into service. In South Carolina, ratepayers are having to pay $2.3 billion for a cancelled nuclear plant. While US electricity customers are exposed to paying more than $10 billion for cancelled nuclear plants and another $13.5 billion in cost overruns, no reactors have come online as a result of the US shift to early cost recovery. Florida and South Carolina have repealed the laws allowing early cost recovery, and no states have enacted such laws in the last decade, so why on earth are the Tory Government introducing a failed financial model from the US?

In contrast, the cost of renewables is falling globally. Renewables are significantly undercutting fossil fuels as the cheapest form of energy as the cost of renewable technologies falls. According to the International Energy Agency, the world's best solar power schemes offer the "cheapest…electricity in history."

John Redwood *rose—*

Wera Hobhouse: I will not give way again.

Renewable energy is the future, and we in the UK are ideally placed to take advantage of the wind and wave power all around us. When UK tidal wave projects were cancelled in the past, that was always on a cost basis. Why do we not look at those projects again? They are truly renewable and truly the future. We could be an exporter of renewables. Onshore wind is now the cheapest form of electricity generation in the UK—

Mr Deputy Speaker (Mr Nigel Evans): Order. I have been incredibly generous, as I was to Sir John Redwood. Could the hon. Lady tell me which clause she is speaking to?

Wera Hobhouse: Thank you, Mr Deputy Speaker; I am coming to the end. I could not miss the opportunity to speak in this debate because I believe that the whole Bill is a complete failure. However, I will be supporting all the amendments that are proposed today because they will improve it, but I will vote against the Bill.

Virginia Crosbie (Ynys Môn) (Con): It is a pleasure to speak in this debate. As the co-founder of the nuclear delivery group, along with my fellow atomic kitten, my hon. Friend the Member for Copeland (Trudy Harrison), I have been at the forefront of campaigning for nuclear energy to form a key part of our 2050 net zero strategy since becoming MP for Ynys Môn.

I can talk about the various amendments tabled by the Opposition, but the reality is that this Bill is critical if the UK is to tackle climate change, and it is critical for the UK's energy security and stability. The demand for electricity will only rise as we phase out carbon-based energy. Although renewables such as solar, wind and tidal energy must form part of our zero-carbon mix, they simply do not currently offer the capacity or reliability that we will need to go forward. Nuclear power is the only viable alternative to fossil fuels that the UK can implement in the timeframes required.

Alan Brown: When the hon. Member speaks to the amendments, will she explain why she opposes any of them? I would have thought that tabling amendments about transparency and to highlight the costs of nuclear would be a good thing.

Virginia Crosbie: Several of the amendments that the hon. Member mentioned relate to information flow and financing. I will talk more about financing and how that is so important to my constituents on Ynys Môn.

In recent years, we have seen our nuclear generation capacity drop and UK progress on the decarbonisation of power stall. Over the past year, I have been working hard to raise the issue of financing for nuclear power with Ministers and officials, because it is a key blocker to bringing more nuclear power online. The majority of my constituents support Wylfa Newydd. It is recognised as the best site in the UK, possibly the world, to host a nuclear power plant.

I will end by saying that the Bill will make a huge difference to Ynys Môn. My constituency has one of the lowest levels of gross value added in the UK and we desperately need these jobs to come through. On behalf of the nuclear delivery group, I would like to thank all my constituents and, in particular, the community of Llanbadrig for remaining positive and united in the hope that Ynys Môn sees the fruits of this important piece of legislation.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. It would be really useful when people are contributing on Report if they could mention some of the amendments or the new clause now and again.

Charlotte Nichols (Warrington North) (Lab): I welcome the return of this important Bill from Committee and I am pleased to support it, as is the Labour party. Indeed, although our NHS is the Attlee Government's greatest achievement, it was his Labour Government who approved this country's first nuclear reactors, which have been supplying clean energy ever since.

It is regrettable that it has taken the Conservatives more than a decade in office to bring forward these new plans to finance and ensure that we have the next generation of nuclear that we need. I am concerned that much of our domestic expertise and supply chain capacity has eroded in that time, but it is still true that if the best time to build a nuclear plant was 10 years ago, the second-best time is today. This is especially important with the retirement of Hunterston B last week, which alone provided 1 GW of the UK's 7.9 GW nuclear capacity—enough to power 1.7 million homes.

As our energy bills rocket in the months to come, as a result of huge volatility in the international gas markets, we will be reminded yet again of the importance of the diversification, sovereignty, security and constancy of our power supplies, which Labour's amendments address. Ensuring that there is a further generation of nuclear plants is the best way to address that as well as to be environmentally sustainable as we seek net zero.

There are too many myths about nuclear power that undermine it in the public mind and in pockets of this place. Let us hear the facts: nuclear power has the lowest lifecycle carbon of all technologies, the lowest land use of all low-carbon technologies, the lowest mining and metal use of all low-carbon technologies and the highest employment multiplier of all low-carbon technologies. Those peddling the myths rely on misleading comparisons, over-optimism about alternatives and wholly outdated concerns about safety that do not reflect the reality of modern nuclear plants. We should not be scared of making the positive case for nuclear, and making it strongly and proudly. Nuclear is safe and reliable, and it directly creates quality, high-paying and unionised jobs, as well as supporting many more in its supply chain.

5.45 pm

I declare an interest, as Warrington North has the third-most nuclear jobs of any constituency in the country, despite not having a nuclear plant. Indeed, I recently visited Hinkley Point C with the all-party parliamentary group on nuclear energy, to see for myself the fruits of the labour of the thousands of my Warrington North constituents who work in its supply chain, alongside many other nuclear workers, on all aspects—from new build to decommissioning, nuclear medicine and nuclear propulsion for space flight. Moltex, based in Birchwood in my constituency, is currently working on stable salt reactors, which would recycle nuclear waste from older fleets of reactors by using it as the fuel for future fleets.

These are good jobs, in stark contrast to the increasing casualisation of our labour market and the gig economy more widely. High-quality apprenticeships, including at the university technical college in Warrington, involve working with employers such as Sellafield, and they open up great opportunities for my constituents in high-skilled roles in a world-class industry. We are proud of them and would welcome many more.

Mark Jenkinson (Workington) (Con): Does the hon. Member have any figures on how many of those jobs in Warrington might be put at risk by the exclusion of companies that are partly foreign-owned? If passed, Labour's amendment might keep them out of new nuclear build.

Charlotte Nichols: I do not have the data on my person at this point, but ultimately more jobs are at risk in Warrington North's nuclear sector if we do not approve the building of new nuclear. Regardless of whether that involves direct state investment, a regulated asset base model, as we are discussing today, or foreign investment, the fact is that we need to get it built, because all those jobs will be at risk if we do not.

Going back to the point that the hon. Gentleman raised, we have heard complaints about the cost of the regulated asset base model. Indeed, my preference would be direct state investment in this vital national infrastructure, which would keep the stations and the power they produce in public ownership. None the less, the model that we are discussing must be recognised as an investment that guarantees construction and production over the longer term.

As I wind up my remarks, I want to point out that the uncertainty and lack of guarantees have left the industry in the dark for so long. With the uncertainties now addressed by the Bill and the amendments that Labour has tabled, the industry can now have the confidence to plan and move forward. My hope is that by passing the Bill on a cross-party basis, it will send the signal that there is a clear consensus on the vital role that nuclear will continue to have in our energy mix. This message is fundamental as we hopefully move on from Sizewell C to other projects and plan these as a fleet to drive down costs and to maintain and expand the world-class expertise and skills of the British nuclear sector.

Bob Seely: I rise to speak to amendments 1 and 2. If I have time, I will get to amendment 9, but I will speak for no more than five minutes.

I hear what people say about the importance of renewables, but it is not a choice between renewables or nuclear. Frankly, if the world is to have any chance of meeting its carbon targets, it is not "either/or" but "and". I am afraid to say that we see the environmental, energy and security disaster that is Germany's imbecilic energy policy, caused by the shutting of nuclear and the dependence on Russian gas and lignite coal, the dirtiest form of energy production known to humanity.

Wera Hobhouse: I am not speaking on behalf of Germany, because Germany is in a very different position from that of Britain. It is more or less landlocked, it does not have sea, and it does not have wind in the same way. Britain has a massive opportunity to invest in new renewable energy that no other country has apart from Greece, which is doing so.

Bob Seely: I am half German and I think my German relatives would confirm that they have wind in Germany. *[Interruption.]* And the Baltic sea—thank you very much indeed. There is no reputable case, including in reports from the UN and others, that disagrees that, if we are to meet zero carbon at some point in the next 20, 30 or 40 years, nuclear will play an increasingly significant

[Bob Seely]

element, whether we like it or not. It is a very low-carbon form of energy, with no greenhouse gas, and it is important for us to take that on board.

On foreign ownership and foreign funding, would I start from here? No. I am uncomfortable with the idea that we would ever want to build an untried, untested Chinese nuclear reactor in this country, especially one that has not been built anywhere else, to say nothing of the geopolitical ramifications of that. I am not hugely happy that we have Chinese funding in place, but I understand the critical point that we need a sense of momentum to make progress on this issue. In a perfect world, though, we would not be starting from here.

Alan Brown: The hon. Gentleman spoke about the importance of nuclear to get to net zero, but the UK Government are committed to decarbonisation of the electricity grid by 2035. If we are going to rely on nuclear, there is no way on earth that we can fully decarbonise the grid. Other things are needed, such as carbon capture and storage and green hydrogen.

Bob Seely: The hon. Gentleman makes a perfectly sensible point, but his argument that we can do it all with renewables is a bit of a cop-out. We are not doing so. I want tidal energy for the Solent and for the Isle of Wight as much as he does for the west of Scotland, but the argument that renewables will solve our problems—especially when, as the right hon. Member for Wokingham (John Redwood) says, there is no wind— is a difficult one to sustain.

Moving back to amendments 1 and 2, it is perfectly sensible for the Government to make the point—the Minister did so when we were in conversation last week, and I thank him for his time—that we need foreign institutional funding, especially from friendly states, such as the United States, Australia, Canada, and the European Union, and a RAB system to make that investment in nuclear, which is expensive and which we need for the long term, but we need to be getting on with it. Having argued against those two amendments, I have to say that we have had two decades of incredibly poor leadership on energy supply. The hon. Member for Warrington North (Charlotte Nichols) spoke eloquently about the attractions of the nuclear industry, but, unfortunately, the point she missed out was that nuclear was killed as an investment discussion early on in the new Labour years. Unfortunately, the coalition carried on with that, because, effectively, we were appeasing a rather extreme green lobby in our country. We are coming to this very late. As my right hon. Friend the Member for Wokingham said, in a decade's time, we will lose 12 out of the 13 nuclear reactors that we have. That means that we will go backwards when it comes to producing low-carbon, low-greenhouse-emission energy, even if more renewables come on stream, which I hope they will, so we need to get on with this.

Are we in a perfect position with Chinese funding? No. Do I want to see a Chinese nuclear reactor in this country? Absolutely not. Do I want to see Rolls-Royce nuclear reactors, which I hope will be the Rolls-Royce solution in all senses of the word? Absolutely, and we need to get cracking, because that will lower the price. It is also British technology and we will be keeping those high-quality jobs. We need to get moving. On that principle, I oppose amendments 1 and 2. I am happy with where we are with the Government at the moment, but let us just crack on, get this done, get another Bill for another nuclear plant this side of an election and then get in place the laws and the Bills that we need for modular nuclear to come onstream.

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, and I am grateful for the opportunity to do so.

In the past, I have spoken in the Chamber and in smaller debates about nuclear energy and its importance in today's society. I will put on record once again my support for nuclear energy and for what it can deliver for all of this great United Kingdom of Great Britain and Northern Ireland. We need nuclear generating capacity for the United Kingdom, and I believe that this Bill gives the opportunity for that to happen.

The hon. Member for Kilmarnock and Loudoun (Alan Brown) put forward a very good case for his proposals in new clause 1 and amendments 6, 9, 8, 7 and 10. I believe that, ultimately, it comes down to whether we support nuclear energy and the benefits that it brings or whether we have some concerns, which, obviously, the hon. Gentleman has.

Nuclear energy in the UK is minimal, with only 13 nuclear reactors and six plants, which are able to supply only about 20% of the UK's electricity demand. It is worth pointing out that Northern Ireland is the only devolved institution in the UK without a nuclear plant or power station. I note from the papers supplied to us by the Minister that

> "For the RAB model and revenue stream measures in Parts 1 and 2, these will extend and apply to England and Wales and Scotland only. This is because the unique energy position of Northern Ireland means they would not benefit from energy produced by nuclear energy generation projects under a RAB model in Great Britain, and so should not be obliged to pay."

It is clear that the Government have provided protection for us in Northern Ireland. It is also important to remember that in the context of the Government's levelling up agenda as well as the Bill, the funding is not relative.

Nuclear energy in the UK has not peaked since 1995 and the opening of Sizewell B, the last commissioned plant to be built.

Alan Brown: I appreciate that the hon. Gentleman is saying that he would welcome new nuclear power. I mentioned earlier that the impact assessment stated that the capital and financing costs of a new nuclear power station would be some £50 billion. If I were to offer the hon. Gentleman £50 billion for an investment in Northern Ireland, would a new nuclear power station really be it?

Jim Shannon: If only we had the opportunity of a nuclear power station in Northern Ireland! We do not have that possibility at this moment, but I would certainly be keen. I have supported this throughout my years as an elected representative—as a councillor from 1985, in the Northern Ireland Assembly, and now today.

This group of amendments also deals with reports to Parliament on costs of nuclear projects, provision of information on outages, and limits on additional charges to revenue collection contracts.

We are expecting the next nuclear plant to be built in Hinckley Point C in Somerset in 2025, some four years from now. |There is no doubt that there is a huge cost implication when it comes to safe nuclear energy, but I look to Members today to see the good that comes along with it. It ensures that we keep our carbon footprint to a minimum, which is one of the main goals that we addressed at COP26. It is also essential in addressing the energy gap and relaying our response to climate change and lowering gas emissions.

The new RAB model is expected to allow new nuclear projects to be financed privately, which is the thrust of what the Bill is about. However, it is the responsibility of our Government, and our Minister, to ensure that private investors are protected. I should like to hear from the Minister how he plans to include Northern Ireland in this strategy, so that we can gain some benefits. What will happen to private investors should things change in future? I encourage the Minister to engage with the relevant Ministers back home to ensure that similar opportunities are within reach for Northern Ireland. I have historically encouraged him and his Department to ensure that there are the correct provisions for nuclear energy improvement across the UK. While this is a long and costly road, I urge other Members to look at the benefits and sustainability factors that come along with it. Additional funding must be secured for successful and green living throughout the UK.

What is important in this debate is that we understand the essential role that nuclear power has to play, and allow that role to be played in a regulated and possible manner. I support the aim of the Bill to allow the Secretary of State—or the Minister, in this case—to regulate for revenue collection contracts, which will be used to fund a nuclear company. Payments will be managed by a "revenue collection counterparty". Projects will be paid an "allowed revenue", which is broadly the agreed capital cost of a project along with other relevant costs. Payments will be made by electricity supply companies which are expected to pass the cost on to consumers. Costs will start to be charged to consumers during construction, based on the allowed revenue due for that period. During operation, the cost will be the allowed revenue due, minus the value of selling the energy generated.

All this seems to me to be common-sense and logical. It is important that we regulate effectively and ensure maximum security. This is not a matter that we can ever take lightly, and I believe that the Bill's progress has been right and proper. I therefore support the Bill, but ask the Minister to reconsider the role of Northern Ireland in our nuclear power plan. Now that the potential for a plant has been removed from the old equation, there must be a place for us in the new equation.

6 pm

Richard Graham (Gloucester) (Con): What a pleasure it is to join the debate. One of the most enjoyable moments for me was to hear the hon. Member for Warrington North (Charlotte Nichols) making the case strongly and proudly for nuclear power. It was wonderful to hear that, and many of us on this side of the House have shared that feeling for a long time, while perhaps not everybody on her side has done so. It was fabulous to hear it being said.

This debate comes in a week when one of our most important nuclear power stations has just closed. It is a moment to pay tribute to all those involved in Hunterston B, which was designed to last for 25 years and actually did its job for 46 years—a tribute to the huge engineering skills and safety operation involved. It generated enough carbon-free electricity for the whole of Scotland for 31 years. In that context, I find it puzzling that the SNP continues to take such a strong anti-nuclear power position, after all the good work that Hunterston B has done for people across Scotland.

Wera Hobhouse: We always say that in the past it delivered so much energy, but what about the radioactive waste that is still there? We just close our eyes to that.

Mr Deputy Speaker (Mr Nigel Evans): Order. I just remind Richard Graham before he continues that the new clause and amendments should be spoken to, as opposed to a general debate.

Richard Graham: I am grateful, Mr Deputy Speaker. I would have made precisely the same observation—that we must focus on new clause 1 and the amendments. In that context, it is worth mentioning that there was undoubtedly a strategic error of no new investment in nuclear during the period from 1997 to 2010, when the Opposition were in power. That is precisely why we are here today to discuss the Nuclear Energy (Financing) Bill.

Neil Parish (Tiverton and Honiton) (Con): The need for a baseload of nuclear power of up to 25% is apparent. Big nuclear power stations such as Hinkley Point C that will produce about 8% will be absolutely important, especially as Hinkley Point B will soon be mothballed. We really do need to get this going, and it is a shame that when the Labour party was in power it did not develop nuclear power.

Richard Graham: I am grateful for my hon. Friend's comments because they lead in to the Bill and what we are debating today, which is largely about finance and the optimum way to ensure that a new, large nuclear power station is constructed, following the success of Hinkley Point C. Indeed, obviously, the ideal thing would be to move the team seamlessly from one project to another. In all of this, it is worth paying tribute to the hugely successful operational nuclear headquarters for the whole country at EDF Energy's offices in Gloucestershire in my constituency. One thing I hope the Minister will touch on today is how important a part they will play in the future development of our nuclear capacity, whether in further large stations such as the one at Wylfa, talked up—rightly and so effectively—by my hon. Friend the Member for Ynys Môn (Virginia Crosbie), or in any other part of the United Kingdom, as well as in the small modular reactors that have been mentioned by several Members as a key way of generating more nuclear power, and probably faster, to answer the question raised by my right hon. Friend the Member for Wokingham (John Redwood).

Alan Brown: I issue the challenge again to the hon. Gentleman to speak to the amendments. For example, can he explain why, if he is pro-nuclear, he will vote against amendment 9, which is about providing

[Alan Brown]

transparency on cost? Why does he oppose amendment 7, which would compel the Secretary of State to report on the operation of the new nuclear stations in the future, including outages and their condition and operability?

Richard Graham: The hon. Gentleman has tabled several amendments, including amendments 6, 8, 9 and 7. Largely speaking, my perception is that they are designed to tie down the Government in as much detail as possible, avoiding the uncomfortable truth for the Scottish National party that the whole process of regulated asset base funding, which the SNP opposes, has already been used very successfully for infrastructure projects around the country, not least the separation of ScottishPower and Scottish Hydro Electric in 2005. It has also been used for the Thames tideway tunnel and Heathrow terminal 5. I do not recall those projects ever being criticised for the concept and detail of the regulated asset base funding, which is precisely what we are discussing for Sizewell C.

Alan Brown: Will the hon. Gentleman give way?

Richard Graham: I am happy to carry on taking interventions if time allows.

Alan Brown: The RAB model has been used successfully for some infrastructure projects, but as outlined earlier it has not been very successful in the United States when applied to nuclear power stations. Can the hon. Gentleman tell me of a successful application of the RAB model to a nuclear power station?

Clive Lewis (Norwich South) (Lab) *rose—*

Richard Graham: May I answer the intervention from the hon. Member for Kilmarnock and Loudoun (Alan Brown) first? We are more interested in what has been tried and tested here in the United Kingdom than in what may not have succeeded in a different model in a different sovereign country. Obviously, this is the first time it has been used for nuclear power here, but let us not forget, as I have pointed out, that there was a whole generation in which no nuclear power stations were built at all. When it came to the funding for Hinkley C in around 2010-11, I remember well the debates that we had at that time and, of course, the uncomfortable truth that we had lost the expertise to build these things ourselves, so we needed to bring in both foreign finance and foreign expertise. The situation today is different, because we are building on what we have already learned and achieved so far in the process at Hinkley Point.

I agree with the Government that this is a time to choose to move to regulated asset financing, because the crucial difference is that the businesses involved will be able to finance at lower rates and, as I understand it, two thirds of the cost of electricity from Hinkley Point C will come from the cost of capital. Making access to income available during the construction period will both reduce the costs of the project and make it more attractive to institutional investors, who are quite happy with a lower but steady return on their investment. I believe that that is the key reason—and I am comfortable with it—for adopting that approach to this nuclear power station and, I hope, others to come in the future.

Mark Jenkinson *rose—*

John Redwood *rose—*

Richard Graham: I will give way to my hon. Friend the Member for Workington (Mark Jenkinson) first and then to my right hon. Friend the Member for Wokingham.

Mark Jenkinson: If I could take my hon. Friend back to Sizewell C and to EDF in his constituency, and specifically to amendment 2 in the name of Her Majesty's official Opposition, does he share my concerns that removing nuclear companies that are part owned by foreign powers would remove EDF's involvement in the likes of Sizewell C? That would kill Sizewell C and it would kill Moorside.

Richard Graham: I am very grateful to my hon. Friend for that intervention, because I was coming on to what seems to be a curious irony in the position of Her Majesty's loyal Opposition, particularly the hon. Member for Southampton, Test (Dr Whitehead), for whom I have a lot of respect on energy issues. It seems ironic that, as my hon. Friend has pointed out, amendment 2 would make it virtually impossible for a company partly or wholly owned by a foreign power to build and run a nuclear entity. Of course, since British Energy was sold by the last Labour Government in 2009, it is not possible for a company that is entirely British owned to do the work. In that context, the amendment seems rather ironic. Perhaps the fact that it would be a UK subsidiary of EDF answers the question; otherwise, I am inclined to agree with my hon. Friend that amendment 2 should be ruled out immediately by Members on both sides of the House on the basis of it being wholly impractical.

I am conscious that my right hon. Friend the Member for Wokingham wants to intervene, but I think the hon. Member for Norwich South (Clive Lewis) was first.

Clive Lewis: The hon. Gentleman is being very generous. Some of us on the Opposition Benches consider energy to be a public good, and therefore if we are talking about the optimal way of funding this public good, it would be via the state. The RAB system that he is talking about is very complex and is actually being backed by the state, not the market. Ultimately, if he wants to bring the costs down and make the system more cost-effective and to be optimal—that is the term he used—we would have the state funding this area fully, as well as the rest of the energy roll-out that he is talking about.

The final point I will make is that the hon. Gentleman gave some examples about Heathrow and other large-scale projects, but the difference here is that the system that he is advocating will mean that bill payers will foot much of the risk and much of the bill if there is an overspend. The problem is that that proposal is regressive—it is like a poll tax on energy. The far more progressive way to fund things would be through progressive taxation.

Richard Graham: We may be straying a bit from the subject and scope, Mr Deputy Speaker, so I will try to come back to the road of virtue as quickly as I can, but the hon. Member raises interesting points about what structure of ownership is required to develop nuclear power stations effectively. To be honest, it was his party that decided to sell—to privatise—British Energy. I think it is too late to try to row back on that and

recreate that situation, unless he is proposing an interesting new Anglo-French argument over nationalising EDF Energy in the UK. We have to accept that things have moved on, and we must focus on the amendments proposed today.

John Redwood: The burden of the argument with the SNP, my hon. Friend and the rest of us is, as I understand it, transparency over the costs and terms of putative contracts. If those are to be private sector contracts, there are issues about commercial confidentiality, but if there is to be a lot of state exposure, there needs to be a very clear definition of its limits and what it will be, and I am sure that is what the Minister has in mind. Does my hon. Friend agree that we expect to see a very clear and honest statement of any state liabilities, but that commercial private contracts are not as appropriate for that kind of transparency?

Richard Graham: Yes, that is a very good way of defining the difference between the confidentiality of commercial agreements and the state's obligation to be transparent in what is clearly a model that has elements of both. There is an element of hybrid in it, as Members have alluded to.

To bring my contribution to a close fairly swiftly, fundamentally we need to get on, as other colleagues have said, with the business of building more nuclear capacity as quickly as possible. The Bill is an opportunity to move that forward fast, with the safeguards offered by the Government within it, and to get on with a new way of funding through the regulated asset base mechanism. It will provide cheaper costs of financing and ultimately bring down the costs to consumers. Clearly, the Labour party is supporting us today in principle, and perhaps the hon. Member for Southampton, Test will give his support to the Bill from the Opposition Front Bench. The SNP is not supporting it.

From the Government Benches, I want to reiterate my support as the MP for Gloucester for what the nuclear operational headquarters in Barnwood has successfully achieved for a very long period, and I hope that the Minister, my right hon. Friend the Member for Chelsea and Fulham (Greg Hands), will accept an invite to visit Gloucester to look at the operational headquarters and what it is doing and to discuss ways to ensure that that expertise can be used most effectively in the development of nuclear capacity in the future, as well as now.

I am afraid none of the amendments will have my support. I have mentioned that amendment 2 is ironic and inappropriate, and I think all the SNP amendments are designed to try to ensure as far as possible that today's Bill does not go any further. Bearing in mind that we are celebrating the 46-year role of nuclear in providing electricity to every home in Scotland, that seems rather ironic and, frankly, a bit disappointing. Thank you for calling me, Mr Deputy Speaker. I very much hope the Bill goes through.

6.15 pm

Mr John Whittingdale (Maldon) (Con): I do not want to detain the House for too long. However, I want to say a few words as the Member of Parliament for Maldon, which contains Bradwell-on-Sea.

Bradwell had been the home of a nuclear power station since the early 1960s, and it safely generated power for nearly 40 years before being successfully decommissioned. I remain a strong supporter of nuclear power, and I agree with my hon. Friend the Member for Isle of Wight (Bob Seely) that it is not a question of choosing between renewables and nuclear. We will need both if we are to achieve our ambitions, particularly our ambition to reduce carbon emissions.

The fact Bradwell has been the site of a nuclear power station for so long is probably the reason why it was chosen as one of the designated sites for new nuclear development. Of course, an agreement was reached between EDF and China General Nuclear Power Corporation whereby Hinkley Point and Sizewell would be majority owned and financed by EDF with some Chinese contribution, but Bradwell would be the site of a Chinese-designed and majority Chinese-financed reactor.

I visited China General Nuclear in Shenzhen when I was Secretary of State for Culture, Media and Sport, when the attitude of the British Government was perhaps a little more friendly towards China than it is today. At that time the Government were keen to encourage investment in Bradwell, partly because it appeared to be the only way that we would be able to finance new nuclear, as the Chinese were the people who had the resources and the willingness to do so.

My hon. Friend the Member for Isle of Wight referred to the concerns about Chinese technology, and my concern is not about the safety of Chinese technology. The Chinese reactor is now well advanced in the generic design assessment process, and it appears to be proceeding smoothly. I suspect it will be found to be safe, but there may be other reasons why the British Government are perhaps less keen on the idea of a Chinese-owned and designed nuclear power station in this country than they were five years ago. I fully appreciate and understand the reasons for that.

Bradwell is one of the few locations to be designated as appropriate for new nuclear, and the site is owned by CGN. If the Government decide it is not appropriate to build a Chinese reactor, I would still like to think Bradwell is a possible site for an alternative nuclear power station development. Whether or not the Government reach that decision on China, it is too early to say, and I am sure the Minister will not be in a position to say definitively this afternoon, but I would like to put it on record that Bradwell successfully hosted a nuclear power station for 40 years—Bradwell A—and I saw the benefits it brought to the local community. I would therefore still be positive about the possibility of Bradwell B, whoever designs and owns it.

Dr Alan Whitehead (Southampton, Test) (Lab): I rise to speak to the amendments tabled on Report. You will be interested to know, Mr Deputy Speaker, that I would also like to talk about the Bill and its contents.

Mr Deputy Speaker (Mr Nigel Evans): Order. Dr Whitehead, do you intend to keep your mask on?

Dr Whitehead: Sorry, no—I have a general habit of wearing a mask whenever possible.

The Bill essentially falls into three parts. Part 1 concerns the designation of a company for the receipt of regulated asset base payments. Part 2 concerns the collection and

[Dr Whitehead]

disbursement of funds through the regulated asset base arrangements. Part 3 sets out a special administration regime, should a nuclear power plant be unable to carry out its obligations arising from the institution of the regulated asset base arrangement.

The Bill, essentially, is trying to produce a method for funding and getting over the line one particular nuclear power plant: Sizewell C. That is the only plant that is developed enough to be able to generate by 2030. A substantial part of the Bill is not about the general future of nuclear, or the relationship with nuclear renewables; it is about how one plant is to be financed over the next period so that it can actually start producing energy, hopefully by the end of this decade or shortly thereafter.

The Labour party supports nuclear power for the future and is particularly concerned that, for example, the Climate Change Committee has indicated that some 8 GW of nuclear power might be put in the mix for low-carbon renewable power for the future. Sizewell C is an important part of that process—indeed, getting it going is long overdue. Perhaps I can put the record straight, because the previous Labour Government, as the 2007 nuclear White Paper and the strategic planning documents of 2009-10 show, laid the basis for the present number of sites to be considered and, therefore, for nuclear power going forward.

Bob Seely: The hon. Gentleman is absolutely right, but unfortunately we lost a decade, from 1997 to 2007, when nuclear was taken off the table. Because of the timescales, which he is well aware of, will he just accept—this is not necessarily party political—that losing that decade put us back and is costing us now?

Dr Whitehead: The hon. Member is quite right that prior to 2007 the Labour Government did not consider the development of nuclear power by state means to be an appropriate way forward, although they never suggested that the development of nuclear power by private means could not be countenanced. However, we have since had more than 10 years of Conservative-led Government, which has produced precisely no nuclear power plants. Indeed, there is one nuclear power plant in the pipeline, and we hope a nuclear power plant that can be financed by reasonable means. One of the problems with the previous plant, Hinkley Point C, which the present Government got off the ground, was the funding arrangements, with EDF supplying most of the capital for the plant and then a CfD for the plant at the end, which looks like it will be quite disastrous, with future electricity prices being completely uneconomic.

It is therefore important that we get a method for funding those nuclear plants, and particularly Sizewell C, that does not fall into those traps and is also secure for the future. That is the concern of our amendments 1 and 2. To put the record straight, anyone who looks at those amendments reasonably closely will see that amendment 1 defines what is stated in amendment 2, and that it is defined as

"means owned by a company controlled by a foreign state and operating for investment purposes."

That does not include EDF. Let us be clear from the outset that EDF is not

"a company controlled by a foreign state."

Although it is substantially owned by a foreign state, it is not operating for investment purposes, but for production purposes. Let us be clear about what the particular concern is for the future.

Richard Graham: Please correct me if I am wrong, but my understanding is that EDF is majority owned by the state. If the state required it to do certain things, I do not see how the company could say no. Could the hon. Gentleman confirm if that is his understanding?

Dr Whitehead: It is correct that EDF is owned by the French state, but it is not controlled by the French state and, as I say, it does not operate for investment purposes. The amendment specifically excludes that kind of company from its provisions, but, importantly, it includes companies such as the China General Nuclear Power Corporation, which is clearly owned and controlled by a foreign state and operates for investment purposes.

Richard Graham: This is incredibly important. The amendment states

"the nuclear company is not wholly or in part owned by a foreign power".

Factually, that is the situation with EDF. I do not have a problem with it, but I am trying to explain to the hon. Gentleman that his amendment does not say what he has just said it does, and it is therefore inaccurate, even by what he is trying to achieve.

Dr Whitehead: I am afraid we will have to differ on that. Amendment 1 has been written on good advice, in terms of what EDF does and does not do in its operation, and, on the contrary, what a company such as the China General Nuclear Power Corporation does. There is a clear distinction between those two particular companies and organisations.

The amendments wish to draw attention to the fact that this is not an academic issue. As the right hon. Member for Maldon (Mr Whittingdale) mentioned earlier, we have an agreement in place at the moment whereby the Chinese state nuclear corporation has a 35% stake in Hinkley Point C, a 20% stake in Sizewell C, should it go ahead, and complete control of Bradwell, should that go ahead, with ownership of the site and operations, and with the installation of a Chinese reactor. That agreement has already been reached, so the issue in this Bill is that if the regulated asset base is going to be put in place to finance and bring about the control of a nuclear power plant by the Chinese Government over the next period, we think that that would be a retrograde step for the future of nuclear power in this country, for obvious reasons.

In Committee, we asked the Government whether they wished to make any statement about the future of the agreement that is currently in place, which was agreed between 2013 and 2016 and includes the Secretary of State's investment agreement, and about future arrangements for nuclear power. We asked if they could they confirm that RAB would not be used as an instrument to extend those arrangements, as far as the Chinese Government are concerned. They have not said anything about that at all; I regret that. Hence we have brought these amendments to try to clarify what RAB will be used for, what the position is concerning the 20% of Sizewell C that looks to be owned by the Chinese

Government in the future, and how that relates to RAB overall. Although it is not central to the RAB debate, it is an important element in that debate and needs clarification for the future.

We did not particularly want to table these amendments. If we had had a statement from the Government that they were not proceeding with Bradwell and were going to bring an end to the arrangements that are in place for Sizewell C at the moment, perhaps things might have been different, but we urgently need some clarification about their intentions in relation to RAB and Chinese involvement in UK civil nuclear power in future. That is what amendments 1 and 2 would achieve.

6.30 pm

Amendments 3 and 4 are concerned with the process of RAB itself. As we have already discussed, a regulated asset base arrangement allows a designated nuclear company to draw funds from a collection arrangement via an intermediary to assist with the investment in the nuclear power plant, with those funds being drawn from the people who pay energy bills—the customers. Not only that, but—this is a big difference from CfDs—the funds are drawn from contributions from customers while the plant is being developed and constructed, not just when production takes place, so they have a substantial stake in the nuclear company as it moves forward, and they also obviously bear a substantial amount of the risk that goes with the nuclear power plant being developed. We are concerned about not the RAB mechanism itself but the extent to which potential overruns in time or in cost could expose the bill-paying public. This is a very pertinent and relevant discussion at the moment because those bills—those collections—are a levy on customer bills for the future, and that levy will be made for a long time to come.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): I welcome these amendments because one of the concerns about RAB is that there are no safeguards, so the developer could run up costs and there would be nothing to stop them doing so. Therefore, if the Government do not accept the amendments, would it not be irresponsible to support the Bill on Third Reading?

Dr Whitehead: It would not be irresponsible to support the Bill on Third Reading, but it would be responsible of the Government to take a little more notice of these particular problems with the RAB process and possibly, as we move forward with its development, bring in mechanisms that can protect the bill-paying public in a rather better way than is suggested at the moment. That is essentially what the amendments do.

The arrangement for the RAB to be put into place is that a series of considerations are entered into to give an agreed expenditure cap for what is considered to be the proper use of the collection fund that will provide assistance to the company producing the new nuclear power plant. It can properly draw on that, up to a certain ceiling, from the general public. That is if everything goes well with the nuclear power plant, but of course that may not necessarily be the case. Of 176 nuclear power plants across the world, 175 went substantially over time and over budget, so we need to be very clear that we should not commit the general public to fund these proposals completely open-endedly. We are saying in these amendments that should there be a cost overrun or a time overrun, the Secretary of State should seek an increase in the agreed revenue ceiling without further recourse to customer funds. That may be by producing bonds or it may be by further state funding if that is the choice the Government wish to make, but they should not increase the ceiling for customers to pay exponentially at the same time.

These are very simple and straightforward amendments saying that, should there be such cost overruns or time overruns and there is a suggested further call on customer bills through RAB, the Secretary of State will have to think of something else to fund the system. Let us be clear that, with the RAB arrangements at the moment, it is suggested, I think very optimistically, there will be an increase of about £10 to £20 in customer bills. That is a really current topic at the moment, but a cost overrun would substantially increase such a levy on customer bills, and we just think that should not be part of the RAB arrangements for the future.

The third set of changes we wish to put in place are to part 3 of the Bill, which sets out what should happen and what arrangements should be in place if a company, despite all the investment from the public in the construction of a nuclear power plant, essentially goes bust. In this part, the Government have in effect lifted the provision in the Energy Act 2011 for a special administration regime. Again, that is rather current because it is precisely such a special administration regime that was used to rescue Bulb Energy when it went bust a little way ago. It was placed in such a regime under the 2011 Act—the wording is identical to that in this Bill—to allow it to continue trading for the time being, subject to the company being disposed of.

However, I would suggest that a nuclear power plant the size of Sizewell C, for example, is not remotely the same as an energy company the size of Bulb. It would be quite possible to dispose of Bulb or disperse its customers according to the special administration regime, but that would not be the case for a large nuclear power station. We are saying in amendment 5 that there should be an additional backstop so that, in the circumstances of a special administration regime, it would not be possible to pass the company on—to sell it on or to reintroduce it as a going concern through allocation to a subsidiary—and that the Government should have a plan to introduce a public company to take it over, provided it is working as a nuclear power station. That would not be the case—some Members may think the amendment means this—if the power station could not continue because the reactor head had exploded or the power plant was otherwise non-operational. If it is an operational power plant, we think that such a backstop should be available.

Hon. Members have mentioned what I think is the salutary case of the North Carolina energy plant that was conceived under RAB arrangements, or something very similar. Some $9 billion of customer money went into that plant, but the plant went bust, not because it was not operational, but because it was unfinanceable. Customers lost $9 billion of money, and there is no power station at the moment.

John Redwood: Is it not the case that, if the Government in power are faced with a big financial disaster from a very large project going horribly wrong and the company going bust, they will need flexibility to make the best

[John Redwood]

decisions they can in the interests of the taxpayers and customers at the time, and it is quite difficult for us to pre-think that and embed it clearly in law?

Dr Whitehead: That is precisely why we wish to put in the Bill that there should be a direction in which the Government should go. Of course they should have flexibility in how they work, but we think this is an important backstop that will ensure customers do not lose their shirts in a company that goes bust after they have invested large amounts of money in its operation.

We will seek to divide the House on amendments 2 and 3 in the absence of any clear further Government commitments today in relation to. We may well be minded to support amendment 9, tabled by the SNP, should that also be put to a Division. However, I emphasise that we are happy to support the Bill overall. We want it to go through Third Reading, but we would like it to be strengthened as much as it can be by the addition of the amendments we have put forward today.

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): First, may I minute my condolences on the death of Jack Dromey? I shared his 12 years here and he made an enviable contribution to the House. Particular condolences to the right hon. and learned Member for Camberwell and Peckham (Ms Harman).

I am thankful for the excellent contributions we have heard today, and over the past few weeks during the passage of the Bill through the House, from Members throughout the House. I will attempt to address all Members' comments and explain why the Government do not believe that today's amendments should be accepted.

I turn first to new clause 1, tabled by the hon. Member for Kilmarnock and Loudoun (Alan Brown) for the SNP, regarding the special administration regime, but before I deal with his amendments, let me reflect a little bit on the contribution by my hon. Friend the Member for Gloucester (Richard Graham). The SNP, as we know, is talking today about transparency, but its real agenda is a hardcore anti-civil nuclear power agenda. This comes, ironically, just a few days after the closure of the Hunterston power station, which had its life extended by two decades beyond what was predicted and provided 31 years—31 years—of zero-carbon electricity to every home in Scotland. The Bill would make things cheaper, but I do not think that the SNP has got Scotland's best interests at heart here for Scottish electricity or Scottish consumers.

Nuclear power has been a massive success story in Scotland, which is what I hope the Bill will also enable. New clause 1, tabled by the hon. Member for Kilmarnock and Loudoun, would severely risk the effectiveness of the special administration regime by delaying the speed at which an administrator could access funding to continue a nuclear RAB project construction or a plant's generation of electricity. That could result in significant sunk costs for consumers and is not in the public interest.

I will turn now to Labour amendments 1 and 2, tabled by the hon. Member for Southampton, Test (Dr Whitehead), while responding to some of the points made in the debate. The hon. Member and I are aligned in our concern that foreign investment in our critical infrastructure should not come at the cost of national security. However, I want to be clear that the Bill is not about decisions on individual future projects; it is about widening the pool of potential investors and financing while reducing our reliance on state-owned developers to build new nuclear power stations. As the House is aware, we have committed to taking at least one project to final investment decision in this Parliament, subject to value for money and all relevant approvals. We are in active negotiations on the proposed project at Sizewell C. The hon. Member argued that the approval of Hinkley Point C would inexorably lead to the approval of other projects. That is simply not the case. Decisions on nuclear projects in this country are made on a case-by-case basis, and subject to a number of robust approvals from both Government and independent regulators.

Sarah Owen (Luton North) (Lab): Will the Minister give way?

Greg Hands: I am not going to take an intervention. I will respond to the debate first.

Whatever the intent of the hon. Member for Southampton, Test with amendments 1 and 2—this is the crux of the argument, ably pointed out in interventions by my hon. Friend the Member for Gloucester—they could rule out many companies from investing in new projects under a RAB model. The RAB model is designed to bring in new investment, but in my view and in the view of the Government, his amendment would severely restrict who could invest. It could extend to some of our closest international partners. My advice is that EDF itself would be very much in scope, or at least it would be arguable in court as being in scope, of his amendment. It could also mean the rejection of huge amounts of potential investment from bodies such as major sovereign wealth funds of friendly or allied countries.

I am sure that the hon. Member's intent does not lie in that direction, as that could make it much harder to bring new projects to fruition, and the purpose of the RAB model is to find new investors. We also need to maintain resilience in our fuel supply chain, referred to in amendment 2. I put on record my visit to Springfields recently to give the UK Government's support, including funding announced in the spending review recently, to make sure that we have that flexibility.

6.45 pm

I turn now to amendment 6, also tabled by the SNP. It would introduce a RAB designation notice, which I cannot accept. The legislation already creates a clear and transparent process for Government decision making, including scrutiny from economic, environmental and nuclear regulators. It may be used to develop a project to a suitable point of maturity prior to entering into the RAB regime, or to take a direct stake in a project, partly to help mobilise private investment.

Alan Brown: Will the Minister explain why he does not want to put forward a report that explains the public funding that is allocated to a project? I do not understand why that would be so difficult for him.

Greg Hands: We think those processes are already in place, and it is right that this should be a commercial decision and negotiation, but with transparency. We think the balance in the legislation as proposed currently meets that.

On amendment 9, also tabled by the SNP, the additional reporting obligations are unhelpful and unworkable. The requirement to publish up-front capital costs of a project could jeopardise our ability to complete a complex and lengthy capital raise. The amendment's requirement to publish the floor price is simply not workable. In the context of a RAB model, there is no minimum floor price, and nuclear companies' allowed revenues are determined by the economic regulator throughout the life of a plant.

Alan Brown: Will the Minister give way once more?

Greg Hands: No, I will not. I will try to respond to the debate.

Amendments 3 and 4, tabled by Labour, address how additional costs beyond the financing cap could be paid for. I agree that any RAB scheme must have adequate protections in place for consumers. However, given the size and importance of a new nuclear project, there must be a mechanism in place, with appropriate protections, to allow additional capital to be raised to ensure completion of a project where the financing cap is likely to be exceeded. The amendments proposed by the official Opposition would nullify the ability to be flexible. We are making sure that we do not have to go down that course to carry out robust due diligence on the project in the first place, having learned from existing and current projects to set a robust estimate of project cost.

SNP amendments 7 and 8 refer to reporting requirements. Planned outages at nuclear power stations may happen for a variety of reasons, and it is right that they are governed by the amount of time required to complete the maintenance—the actual cause of the outage in many cases—rather than the arbitrary time limit set out in the SNP's amendment. Both the Office for Nuclear Regulation and National Grid already work closely with nuclear operators with regard to outages and availability, and they should do so independently of the Government. Nevertheless, I would like to reassure the hon. Member for Southampton, Test that we are aiming to design the RAB regime so that the nuclear company is incentivised to maintain availability.

I turn now to amendment 5, tabled by Labour. It deals with situations whereby a RAB project

"cannot be rescued as a going concern",

having entered special administration. Of course, I share the wish of the hon. Member for Southampton, Test that the special administration regime should protect consumer interests, but the amendment could have the impact of damaging those interests. We expect the insolvency of a nuclear RAB company to be a highly unlikely event. However, there may be even rarer circumstances within this where it is actually in the best interests of both consumers and taxpayers to discontinue the project, and for it to be safely decommissioned—for example, if a safety fault, which is very unlikely, discovered at a plant made it, in practical terms, inoperable. It is important that the Secretary of State retains the discretion to act in whichever way can achieve the best outcomes for consumers or taxpayers during the insolvency of a relevant licensee nuclear company, and the Opposition's amendment would remove this discretion.

Finally, I would like to discuss amendment 10, tabled by the SNP. It is important to make it clear that special administration is a court-administered procedure and that the nuclear administrator is an appointee of the court. There is already an appropriate level of transparency through the court process for the transfer.

I will now deal with other points raised in the debate. My right hon. Friend the Member for Wokingham (John Redwood) asked about new supply, particularly in relation to gas, which is not on the face of the Bill. I can tell him that six new gas fields came on stream in the last quarter of the last year: Arran, Columbus, Finlaggan, Tolmount, Blythe and Elgood. It is not the case that there are no new gas fields coming on stream. Gas is, of course, heavily incentivised at present, simply by the price, for there to be more extraction. According to the developers' estimates, Hinkley Point C could be online or start to come online as early as 2026. However, my right hon. Friend is right that we need to think ahead. I should Make it clear that I welcome the official Opposition's support for the Bill overall, but let us not forget that awful 1997 Labour manifesto, which said:

"We see no economic case for the building of any new nuclear power stations"—

not just state-owned nuclear power stations, as my right hon. Friend said. Hinkley Point is being built, and an amazing job has been done to keep that construction work going through the pandemic. Our nuclear industry deserves congratulations.

The hon. Member for Bath (Wera Hobhouse) said that we should be rolling out renewable energy. That is exactly what we are doing. We have massively expanded our offshore wind power, and we are quadrupling it over the next decade. I think she said that Germany did not have any wind, but it has a target of 30 GW of offshore wind. There is a lot of wind in Germany. I know that she is from Hanover, which is a long way from the sea, but there is even a famous film—it is one of the best German films—called "Mit dem Wind nach Westen", which is all about wind carrying people in balloons from east Germany to west Germany. There is most definitely wind in Germany.

Wera Hobhouse: Will the Minister give way?

Greg Hands: No, I will not give way.

My hon. Friend the Member for Ynys Môn (Virginia Crosbie), who described herself as one of the original atomic kittens—my hon. Friend the Member for Copeland (Trudy Harrison) is the other one—gave a passionate speech in favour of civil nuclear power. She is right that the Bill is all about financing, making cheaper and alternative sources of finance.

Again, I welcome the Opposition's support for the Bill, but the hon. Member for Warrington North (Charlotte Nichols) was wrong to point the finger of delay at the Government. I should point out the 1997 Labour party manifesto and how nothing happened for 13 years. Hinkley Point C is now being built.

My hon. Friend the Member for Isle of Wight (Bob Seely) made a fantastic speech. He was quite right that the Bill's purpose is to reduce dependence on foreign developers. He is right that we are not in a perfect position when it comes to energy or to nuclear power, but the Bill will significantly improve that position by creating options and establishing expertise for us to go forward.

[Greg Hands]

The hon. Member for Strangford (Jim Shannon) made important points about Northern Ireland. I speak to Gordon Lyons quite often, and obviously Northern Ireland has a special status for energy and electricity.

My hon. Friend the Member for Gloucester made a fantastic speech and fantastic interventions. I am sure that his hub of expertise in Gloucester will come in incredibly useful, and I of course agree to visiting it.

I turn finally to my right hon. Friend the Member for Maldon (Mr Whittingdale). Bradwell, which has been a successful site in Britain's civil nuclear experience, is at a very early stage of development and not a decision for now. Of course, in terms of the future of the site, the Bill is not site-specific; it is all about financing.

This has been an excellent, wide-ranging debate and I thank all right hon. and hon. Members for their contributions.

Ronnie Cowan (Inverclyde) (SNP): Will the Minister give way?

Greg Hands: No, I am winding up now. For the reasons that I have set out, I cannot accept the amendments tabled and therefore ask right hon. and hon. Members not to press them. I hope that I have nevertheless shown that our aims are closely aligned for Britain's brilliant nuclear renaissance, and the Bill will be a key part of that. I urge the House to reject new clause 1 and amendments 1 to 10.

Alan Brown: I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

Clause 1

KEY DEFINITIONS FOR PART 1

Amendment proposed: 1, page 1, line 15, at end insert—

"(6) 'Owned by a foreign power' means owned by a company controlled by a foreign state and operating for investment purposes."—*(Dr Whitehead.)*

This amendment is a definition of "foreign power" set out in Amendment 2.

Question put, That the amendment be made.

The House divided: Ayes 204, Noes 316.

Division No. 152] [6.54 pm

AYES

Ali, Rushanara
Ali, Tahir
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, rh Jonathan
Bardell, Hannah
Barker, Paula
Beckett, rh Margaret
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Alan
Brown, Ms Lyn
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Chapman, Douglas
Charalambous, Bambos
Cherry, Joanna
Clark, Feryal
Cooper, Daisy
Cooper, rh Yvette
Cowan, Ronnie
Coyle, Neil
Creasy, Stella *(Proxy vote cast by Chris Elmore)*
Cruddas, Jon
Cummins, Judith
Daby, Janet
David, Wayne
Davies, Geraint
Davies-Jones, Alex
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doogan, Dave
Dorans, Allan
Doughty, Stephen
Dowd, Peter
Duffield, Rosie
Eagle, Dame Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Ferrier, Margaret
Flynn, Stephen
Foxcroft, Vicky
Foy, Mary Kelly
Furniss, Gill
Gardiner, Barry
Grant, Peter
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hanvey, Neale
Hardy, Emma
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hillier, Dame Meg
Hobhouse, Wera
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart
Howarth, rh Sir George
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, rh Mr Kevan
Jones, Ruth
Kane, Mike
Keeley, Barbara
Kendall, Liz *(Proxy vote cast by Pat McFadden)*
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
Lloyd, Tony
Long Bailey, Rebecca
MacAskill, Kenny
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Maskell, Rachael
Mc Nally, John
McCarthy, Kerry
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Morden, Jessica
Morgan, Helen
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Nandy, Lisa
Newlands, Gavin
Nichols, Charlotte
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Oppong-Asare, Abena
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Owen, Sarah
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qaisar, Ms Anum
Rayner, rh Angela
Reed, Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rodda, Matt
Russell-Moyle, Lloyd
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Slaughter, Andy
Smith, Alyn
Smith, Jeff
Smith, Nick
Smyth, Karin
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo

Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas-Symonds, rh Nick
Thompson, Owen
Thomson, Richard
Thornberry, rh Emily
Timms, rh Stephen
Vaz, rh Valerie
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
Liz Twist and
Navendu Mishra

NOES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Allan, Lucy
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Argar, Edward
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baker, Mr Steve
Baldwin, Harriett
Barclay, rh Steve
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bottomley, Sir Peter
Bowie, Andrew
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Campbell, Mr Gregory
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Cox, rh Sir Geoffrey
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Davison, Dehenna
Dinenage, Dame Caroline
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donaldson, rh Sir Jeffrey M.
Donelan, rh Michelle
Dorries, rh Ms Nadine
Double, Steve
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Foster, Kevin
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Gale, rh Sir Roger
Ghani, Ms Nusrat
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Girvan, Paul
Glen, John
Goodwill, rh Sir Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Hall, Luke
Hammond, Stephen
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Javid, rh Sajid
Jayawardena, Mr Ranil *(Proxy vote cast by Stuart Andrew)*
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Mak, Alan
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
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Miller, rh Mrs Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Pow, Rebecca
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richards, Nicola
Richardson, Angela
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee

Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Simmonds, David
Skidmore, rh Chris
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander *(Proxy vote cast by Greg Smith)*
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, Tom
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
Whittingdale, rh Mr John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Wood, Mike
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Noes:
Michael Tomlinson and Craig Whittaker

Question accordingly negatived.

Clause 6

LICENCE MODIFICATIONS: DESIGNATED NUCLEAR COMPANIES

Amendment proposed: 9, in page 5, line 21, at end insert—

"(4A) The Secretary of State must lay a report before Parliament in respect of each project in relation to which a nuclear company has been designated under section 2(1) before exercising the power under section 6 (1), setting out—

(a) the expected overall capital cost of the prospective project,

(b) the expected up-front cost of the prospective projects,

(c) the general terms of the project for the sale of electricity onto the grid, including—

(i) a statement of whether the Government has offered the nuclear company a minimum floor price mechanism for the sale of electricity onto the National Grid,

(ii) the minimum floor price mechanism included in any arrangement including any inflationary or baseline indices, and

(iii) the duration in years of any such arrangement under sub-paragraph (ii); and

(d) how decommissioning costs of the project will be met, including in the event of insolvency of the nuclear energy company, setting out any role for—

(i) revenue collection contracts, including any percentage specifically dedicated to decommissioning costs;

(ii) protection of decommissioning payments for time of need;

(iii) insurances; and

(iv) consumer risk."—*(Alan Brown.)*

In respect of new nuclear projects, this amendment would require the Secretary of State to lay before Parliament a report on the up-front and overall expected cost of the project, details of any agreement reached terms for the sale of electricity onto the National Grid and how decommissioning costs will be met, including in the event of the nuclear company becoming insolvent.

Question put, That the amendment be made.

The House divided: Ayes 207, Noes 315.

Division No. 153] [7.7 pm

AYES

Ali, Rushanara
Ali, Tahir
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, rh Jonathan
Bardell, Hannah
Barker, Paula
Beckett, rh Margaret
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Alan
Brown, Ms Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Chapman, Douglas
Charalambous, Bambos
Cherry, Joanna
Clark, Feryal
Cooper, Daisy
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Creasy, Stella *(Proxy vote cast by Chris Elmore)*
Cruddas, Jon
Cummins, Judith
Daby, Janet
David, Wayne
Davies, Geraint
Davies-Jones, Alex
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doogan, Dave
Dorans, Allan
Doughty, Stephen
Dowd, Peter
Duffield, Rosie
Eagle, Dame Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Ferrier, Margaret
Flynn, Stephen
Foxcroft, Vicky
Foy, Mary Kelly
Furniss, Gill
Gardiner, Barry
Grant, Peter
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hanvey, Neale
Hardy, Emma
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hillier, Dame Meg
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart
Howarth, rh Sir George
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, rh Mr Kevan
Jones, Ruth
Jones, Sarah
Kane, Mike
Keeley, Barbara
Kendall, Liz *(Proxy vote cast by Pat McFadden)*
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
Lloyd, Tony
Long Bailey, Rebecca
MacAskill, Kenny
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Maskell, Rachael

Mc Nally, John
McCarthy, Kerry
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Mishra, Navendu
Monaghan, Carol
Morden, Jessica
Morgan, Helen
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Nandy, Lisa
Newlands, Gavin
Nichols, Charlotte
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Oppong-Asare, Abena
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Owen, Sarah
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qaisar, Ms Anum
Rayner, rh Angela
Reed, Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rimmer, Ms Marie
Rodda, Matt
Russell-Moyle, Lloyd
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Slaughter, Andy
Smith, Alyn
Smith, Jeff
Smith, Nick
Smyth, Karin
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas-Symonds, rh Nick
Thompson, Owen
Thornberry, rh Emily
Timms, rh Stephen
Twist, Liz
Vaz, rh Valerie
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
Richard Thomson and Ronnie Cowan

NOES

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

Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Mak, Alan
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCartney, Jason
McCartney, Karl
McVey, rh Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Miller, rh Mrs Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Pow, Rebecca
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richards, Nicola
Richardson, Angela
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Simmonds, David
Skidmore, rh Chris
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander *(Proxy vote cast by Greg Smith)*
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, Tom
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
Whittingdale, rh Mr John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Wood, Mike
Wright, rh Jeremy
Young, Jacob

Tellers for the Noes:
Michael Tomlinson and Craig Whittaker

Question accordingly negatived.

More than two hours having elapsed since the commencement of proceedings on the programme motion, the proceedings were interrupted (Programme Order, this day).

The Deputy Speaker put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Clause 7

LICENCE MODIFICATIONS: RELEVANT LICENSEE NUCLEAR COMPANIES

Amendment proposed: 3, page 7, line 8, at end insert—

"(3A) When exercising the power in subsection (1), the Secretary of State must not cause the excess of expenditure being incurred over the allowable revenue cap to lead to further charges upon revenue collection contracts."—*(Dr Whitehead.)*

This amendment prevents the Secretary of State from allowing the levy of further consumer charges should an increase in allowable revenue be agreed following increases in costs or timescale of a nuclear project.

Question put, That the amendment be made.

The House divided: Ayes 207, Noes 315.

Division No. 154] [7.19 pm

AYES

Ali, Rushanara
Ali, Tahir
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, rh Jonathan
Bardell, Hannah
Barker, Paula
Beckett, rh Margaret
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Alan
Brown, Ms Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Chapman, Douglas
Charalambous, Bambos
Cherry, Joanna
Clark, Feryal
Cooper, Daisy
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Creasy, Stella *(Proxy vote cast by Chris Elmore)*
Cruddas, Jon
Cummins, Judith
Daby, Janet
David, Wayne
Davies, Geraint
Davies-Jones, Alex
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doogan, Dave
Dorans, Allan
Doughty, Stephen
Dowd, Peter
Duffield, Rosie
Eagle, Dame Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Ferrier, Margaret
Flynn, Stephen
Foxcroft, Vicky
Foy, Mary Kelly
Furniss, Gill
Gardiner, Barry
Grant, Peter
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hanvey, Neale
Hardy, Emma
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hillier, Dame Meg
Hobhouse, Wera
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart

Howarth, rh Sir George
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, rh Mr Kevan
Jones, Ruth
Jones, Sarah
Kane, Mike
Keeley, Barbara
Kendall, Liz *(Proxy vote cast by Pat McFadden)*
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
Lloyd, Tony
Long Bailey, Rebecca
MacAskill, Kenny
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Maskell, Rachael
Mc Nally, John
McCarthy, Kerry
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Morden, Jessica
Morgan, Helen
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Nandy, Lisa
Newlands, Gavin
Nichols, Charlotte
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Oppong-Asare, Abena
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Owen, Sarah
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qaisar, Ms Anum
Rayner, rh Angela
Reed, Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rimmer, Ms Marie
Rodda, Matt
Russell-Moyle, Lloyd
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Slaughter, Andy
Smith, Alyn
Smith, Jeff
Smith, Nick
Smyth, Karin
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas-Symonds, rh Nick
Thompson, Owen
Thomson, Richard
Thornberry, rh Emily
Timms, rh Stephen
Vaz, rh Valerie
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
Liz Twist and Navendu Mishra

NOES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Allan, Lucy
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Argar, Edward
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baker, Mr Steve
Baldwin, Harriett
Barclay, rh Steve
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Campbell, Mr Gregory
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Cox, rh Sir Geoffrey
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davison, Dehenna
Dinenage, Dame 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
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Gale, rh Sir Roger
Ghani, Ms Nusrat
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Girvan, Paul
Glen, John
Goodwill, rh Sir Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Hall, Luke
Hammond, Stephen
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Javid, rh Sajid
Jayawardena, Mr Ranil *(Proxy vote cast by Stuart Andrew)*
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea

Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Mak, Alan
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCartney, Jason
McCartney, Karl
McVey, rh Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Miller, rh Mrs Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Pow, Rebecca
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richards, Nicola
Richardson, Angela
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Simmonds, David
Skidmore, rh Chris
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander *(Proxy vote cast by Greg Smith)*
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, Tom
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
Whittingdale, rh Mr John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Wood, Mike
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Noes:
Michael Tomlinson and Craig Whittaker

Question accordingly negatived.

Third Reading.

7.30 pm

The Secretary of State for Business, Energy and Industrial Strategy (Kwasi Kwarteng): I beg to move, That the Bill be now read the Third time.

I want to start by following right hon. and hon. Members in paying my respects to the late Member for Birmingham, Erdington (Jack Dromey). His constituency has lost a dedicated public servant and a real champion of local industry. I am sure that all our thoughts are with his wife and his family.

Civil nuclear power has worked for this country and it works for consumers, but we all know that the existing financing scheme has led to too many foreign nuclear developers walking away from projects, setting our nuclear industry back a number of years. While the contract for difference model was right for Hinkley Point C, the lack of alternative funding models has contributed significantly to the cancellation of recent potential large-scale projects, including Hitachi's project at Wylfa and Toshiba's project at Moorside. We urgently need a new approach to attract capital into the sector, and therefore we are introducing the new nuclear RAB model, which will deliver nuclear projects at a lower cost for consumers.

This new funding model is a win-win for nuclear and for our country. Not only will we be able to encourage greater diversity of private investment; we will also be able through this mechanism to lower the cost of financing new nuclear power and reduce costs commensurately to consumers and to businesses. New nuclear is absolutely essential if we are to have security of energy supply and diversity to ensure resilience.

We have heard from MPs across the House about how the nuclear industry in their constituencies has created and will create jobs—from Wylfa to Hartlepool to Hinkley. All those hon. Members are powerful advocates in this place for the future of the nuclear industry. Thanks to the Bill and other steps we are taking, I firmly believe that we are at the beginning of a new age, a new renaissance, of nuclear energy in the UK.

We have already made a commitment to bring at least one further large-scale nuclear project to final investment decision by the end of this Parliament, subject of course to value for money and relevant approvals. We are also creating not only an ability to invest in large-scale nuclear but a £120 million future nuclear enabling fund to tackle barriers to deploying new nuclear technologies. I am particularly pleased to refer to the fact that we have committed £210 million to back Rolls-Royce's plan to deploy small modular reactors.

Jonathan Edwards: The one thing that perplexes me about this Bill is that it is for nuclear only. If the RAB model is the way forward, why is it not also available for other technologies, such as tidal?

Kwasi Kwarteng: I am pleased that the hon. Gentleman mentions tidal, because for the first time, I think, in the history of the technology—in the history of the world—this Government committed to supporting tidal stream only last year. I am pleased that he should support that initiative.

I would like to make a few brief comments on some of the key themes that the debate has covered. One of the Labour party's amendments would have put investment in new nuclear in the deep freeze. It would have prohibited investment from abroad. The very purpose of the Bill is not only to reduce the UK's reliance on overseas developers for finance, but to widen—and this is often overlooked—the pool of potential investors, including British institutional investors and investors from some of our closest allied countries. That is why we rejected the Opposition amendment and why we feel that the Bill broadens our ability to finance new projects. The amendment would have ruled out many companies and prevented like-minded allies such as Canada, Norway and Singapore, with their large pools of capital, from being able to invest in our industry.

Dame Andrea Leadsom (South Northamptonshire) (Con): I sincerely congratulate my right hon. Friend on bringing forward this Bill. There is absolutely no doubt that nuclear provides the zero-carbon baseload that we need in our transition to net zero, and this is really going to help, so many congratulations to him.

Kwasi Kwarteng: I thank my right hon. Friend for her intervention. The House will know that she and I worked very closely in the Department for Business, Energy and Industrial Strategy, and she was one of the first in the new Parliament to realise the key importance of nuclear. I pay tribute to the work that she, among others, did to drive this agenda. Clearly, this Bill is timely because, as she said, we cannot reach net zero without a substantial commitment to nuclear.

John Redwood: Will the Secretary of State give some indication of how long it might take to prove and put into a working model the small nuclear technology, if all went well?

Kwasi Kwarteng: My right hon. Friend will be aware that the small modular reactors cannot be brought onstream in the next few months, but with the right investment and the right incentives, all this technology can be brought onstream very quickly. I cannot say that it will be five years or 10 years, but it will be brought onstream and will help us to reach the decarbonising targets that we have set ourselves.

Alan Brown: Will the Secretary of State give way?

Kwasi Kwarteng: I must make progress—forgive me.

Since the publication of the Prime Minister's 10-point plan in November 2020, £6 billion of new investment has already poured into the energy sector—just in a period of barely 15 months. It was notable at the global investment summit in October last year that a further £9.7 billion-worth of deals was announced. Foreign investment is particularly eager to help to finance our way to net zero. But I have to state that foreign investment must not come at the expense of our national security. That is precisely why the National Security and Investment Act 2021 was introduced to safeguard our key strategic industries.

The final issue that we have debated is the necessity of ensuring that there is adequate protection for consumers. With this approach, private investors will be given greater certainty through a lower and more reliable rate of return, but that will, in turn, lower the cost of financing projects and ultimately, in the medium term, help sharply to reduce consumer electricity bills. To protect consumers, the Government will of course put any potential projects through a rigorous due diligence process, allowing detailed scrutiny of a project's cost along with its delivery plans. The RAB regime will be designed to incentivise the company to deliver the project to time and to budget.

Britain once led the world with our civil nuclear industry, and we fully intend to clear a path to leadership and innovation in this critically important piece of infrastructure.

Alan Brown: If there is such a desire for investment, why was £1.7 billion allocated in the last Budget just to develop this project to final investment stage? What are we getting for that £1.7 billion of taxpayers' money?

Kwasi Kwarteng: We all know that the hon. Gentleman's party is against nuclear, but we also appreciate that the comprehensive spending review that he alluded to was all about ensuring our commitment in the 10-point plan to at least one further final investment decision before the end of the Parliament, and that is the sum of money that we have allocated to ensuring that that happens.

I look forward to following the progress of this Bill and pursuing our plan for greater nuclear investment, greater resilience and greater affordability in our energy mix. On that basis, I commend the Bill to the House.

7.39 pm

Dr Whitehead: The Bill, as its title suggests, is about how to finance nuclear power. We know that the Climate Change Committee has indicated that some nuclear power is needed in the future as part of an overwhelmingly renewable energy mix. The Bill is therefore important in ensuring that we get at least the next, and only, nuclear power plant that can generate power by the early 2030s in place and developing, as the prospects of a new plant elsewhere seem bleak.

We welcome the arrangements that the Bill will make for financing nuclear power. We need to remember that there has been a 10-year hiatus, during a time of Conservative Government, in bringing forward any nuclear power, so the Bill is welcome, but overdue. We hope that with the RAB model in place, Sizewell C will be able to reach financial closure and go ahead.

We ought to understand both the advantages and possible problems of a RAB model, in the context of the people who will fund it from their bills. Although RAB has been used for other projects, a RAB model of the size and scale needed for Sizewell C has never been attempted. We urge the Government to be very careful about how they deploy the RAB model in terms of the customer interest, to not just regard customers as a milch cow for overruns or time delays in nuclear power for the future, and to ensure that the customer contribution is properly regarded as far as nuclear power development

[Dr Whitehead]

is concerned. We think the Government should pay closer attention to customer involvement in RAB, particularly because, on this occasion, the customer is funding the nuclear plant before, and not after, it develops. Careful stewardship and close custody of how that RAB model is used is vital.

The question of ownership of plant is important for UK national security. Although the Government have rejected our amendments about foreign influenced or owned investment in nuclear power in the future, we all know what that is actually about—the role of China and the Chinese state nuclear corporation, the China General Nuclear Power Corporation, in Sizewell C, and the possibility of them owning the nuclear power plant at Bradwell in the future. Despite the Government's bluster, we know the arrangement is now in place for that development to succeed. Is that a wise way to go with nuclear power in the future, we ask?

We consider it imperative that the Government are clear about what they think about Chinese involvement in the very near future, and that they plot a clear course whereby this RAB investment is not the vehicle for the realisation of China's developing and owning a nuclear plant in the UK, with all the security implications that has. I urge the Government to come forward at an early stage with clarity on what they consider to be the future for that arrangement. As the Secretary of State knows, that was not arranged on his watch, but in 2013 to 2016, before he was a Minister. I hope he will be able to cast an eye over the arrangement, with a view to the future that he has set out today.

With my party being in favour of nuclear power, I repeat the question asked by the hon. Member for Kilmarnock and Loudoun (Alan Brown) about the £1.7 billion in the Red Book at the last Budget for the completion of the project. Is it about buying off China? Is it about developing this project? Is it about funding further nuclear power for the future? We have no clarity at all, as we have only one line on that investment, which is not good enough. We need much more clarity for the future.

The health and welfare of Springfields is vital to this development, as it could be and should be supplying nuclear fuel rods to the new plant, and we hope the Government will look carefully and sympathetically at the future of that company, because the delivery of British fuel rods to a British nuclear reactor is very important for the future. It is vital that the Government do not allow the company to slip away under their watch when its contribution could be so important to the future of nuclear power in the UK.

Overall, we see much to support in this Bill and believe that, properly executed, its provisions will be able to establish a viable way forward for UK nuclear power. We therefore wish to support its Third Reading.

7.46 pm

David Morris (Morecambe and Lunesdale) (Con): We have two nuclear power stations in my constituency. I cannot say how glad I am to hear the news that the Bill will proceed, and I am elated that the shadow Minister has endorsed it. I have been talking about it for many years, and this is a great day.

I remember the coalition era, when private enterprise had to fund nuclear power, and now we are taking steps to safeguard our own energy supply and, more to the point, to safeguard jobs in my constituency, because we have two nuclear power stations that are due to cease production within the next decade. This is £40 million to my local economy and jobs—nuclear is the largest employer in my constituency. I wholeheartedly back this Bill.

7.47 pm

Alan Brown: Unlike the hon. Member for Morecambe and Lunesdale (David Morris), I do not support the Bill, which may come as a surprise to some.

The basis of the Bill, as outlined by the Secretary of State, is that the Government recognise market failure in nuclear power, with Hitachi and Toshiba walking away from the sites they were developing. It is interesting that the Government now admit what we have said all along, which is that Hinkley Point C is a bad deal for bill payers. The Secretary of State dresses it up as being the right deal at the right time but, if we look at the impact assessment, it says the new RAB model could save up to £80 billion. By default, the impact assessment is telling us that the Government believe the model for Hinkley Point C cost bill payers an additional £30 billion to £80 billion.

Looking at the 35-year contract for Hinkley Point C, this means the Government are now telling us that bill payers will pay an additional £1 billion to £2 billion every year of that 35-year contract if Hinkley Point C starts generating electricity. That is a disgraceful waste of money.

Alison Thewliss (Glasgow Central) (SNP): My hon. Friend is making a good point about the waste of money. It sounds like he agrees with my constituent Maureen from Kelvingrove, who says she believes

"the money being poured into this would be better spent on smaller scale more local solutions such as tide, wind, solar, hydro…and of course the key to it all, energy storage."

Does my hon. Friend agree?

Alan Brown: I agree wholeheartedly, and I said earlier that the £1.7 billion allocated for the final investment stage of Sizewell C could deliver two pumped-storage hydro schemes in Scotland—two schemes that provide dispatchable energy when it is required.

My other big concern about the Bill and the RAB model itself is that the savings will not accrue and, worse, bill payers will carry too much of the construction risk. We keep hearing how successful the RAB model has been for other infrastructure projects, but nobody can demonstrate that it is proven to work for delivering nuclear power stations. As we discussed earlier, the examples from the United States suggest otherwise. Abandoned projects are costing bill payers billions of dollars, including $9 billion for the abandoned South Carolina project.

At the present time, in the here and now, we have a cost of living crisis, so it is absolutely scandalous to commit an estimated £50 billion to £60 billion in capital and finance costs and pass those on to bill payers. The Government tell us that is only £10 per household over the construction period, but what they do not tell us is how much more it will be when the 60-year RAB model contract kicks in.

We are in a bizarre situation where the trade body Energy UK supports the RAB model while arguing that consideration needs to be given to the removal of levies from our existing electricity bills due to the impact on the cost of living crisis. That is contradictory. Why support a payment mechanism with contractual payments of some 70 to 75 years being added to our bills during the current energy price crisis? E.ON has confirmed that it opposes such a move, and particularly the concept of bill payers starting to foot the bill as soon as construction commences.

Instead, if we retrofitted 11 million homes with energy efficiency measures, it is estimated that peak heat demand could fall by 40%. That is where the Government should start the targeted investment. We do need to consider whether we need new nuclear at all, and therefore whether we need this Bill or alternative funding mechanisms. Of the eight existing power stations, Dungeness went offline last year, seven years early; Hunterston B has now stopped production; Hinkley Point B will stop later this year; and Heysham and Hartlepool will stop in 2024. So five of the existing eight stations will be down by 2024, way before Hinkley will be up and running.

If nuclear is so critical to baseload, how will we live without it for these years? It actually undermines the Government's own argument, particularly when we realise how often nuclear power stations go down and outages need to be managed. The wind might not be blowing and the power stations might go down as well, so what is the answer then? That is why we need investment in alternative renewables.

Worse still, the proposed EPR model developed at Hinkley looks set to be used at Sizewell. There is no functioning EPR model anywhere in the world. Taishan in China is still shut down, and according to a French whistleblower more fuel rods are damaged than China has acknowledged. Indeed, at Flamanville in France, which is already predicted to be 12 years behind, construction has stopped again because the French nuclear authorities are investigating a possible flaw in the EPR design. Surely this Government would not be so daft as to sign a new nuclear contract with an EPR design that has still not been shown to work.

This Bill represents the wrong priorities for the Government. Instead of mitigating the cost of living crisis and the cost of energy crisis, they are looking to compound the misery by adding further burdens on bill payers. I know that the Labour party has said that it will support the Bill, but I strongly recommend that it reconsiders its position, given the commitment of £50 billion to £60 billion in capital and finance costs being added for bill payers. We do not require another Tory white elephant nuclear project. I will certainly be voting against it.

7.53 pm

John Redwood: I wish the Secretary of State, the Minister and the Bill every success. I think we might call this Secretary of State brave, because experience tells us that it is extremely difficult to land one of these really big projects and keep it to time and budget, and it is extremely difficult to get agreement to cheaper power. I am delighted that Ministers are motivated by the wish to have both more reliable generating capacity and more affordable power. Those are two excellent objectives of energy policy.

However, I fear that what I have learned from this debate, and from previous debates like it, are these things. First, we are going to have less nuclear power in 2030 than we have today, whatever Ministers do—they are prisoners of their inheritance. Secondly, it will be difficult signing up big projects in particular, or getting smaller projects that are available and working in good time so that there is more nuclear, rather than less, in the decade that follows, and it will be difficult securing that at prices that customers think are good.

In the meantime, we have the problem that, on a typical day, we are already 10% import dependent for our electricity—I think it should all be generated in the UK—and that we are very dependent on the sun shining and the wind blowing, but the wind not blowing too much. When those things did not happen towards the end of last year, we had to reopen three old coal plants. People would rather not have to burn coal, but coal stations were reliable and actually worked when the wind did not blow and the sun did not shine. If the plan is to close them down and make them unavailable in future before we have anything else as a good stand-by, we will be trying the patience of the international community and trying our own luck rather too far.

I urge the Secretary of State, on the back of this Bill, to consider ways of increasing reliable power for this coming decade—the decade that we are living in and that we will be battling over in immediate elections to come—because that is what will matter to our voters. We should have in mind security of supply, availability of supply and affordability as the crucial things that we need to take care of so that we do not have a self-imposed energy crisis. Linking us into the European system is not a secure thing to do, because those countries are chronically short of reliable green power. Poland and Germany are in the middle of trying to phase out coal and lignite. Germany is in the middle of phasing out nuclear altogether. France needs to think about replacements for its ageing nuclear fleet and it is chronically short of gas, which is a sensible transition fuel, so it needs to rely on Putin and Russia.

Wera Hobhouse: We talk again and again in this House about Britain being a global leader. Does the right hon. Gentleman agree that Britain could be a global leader in renewable energy? We are not making the most of the areas in which we could be a global leader, which are renewable energy from tidal, wave and offshore and onshore wind power.

John Redwood: I would be delighted to see a mixture of renewables, so that the reliability issue is taken care of. The problem with wind is that it is erratic. In the industrial revolution, people tended to prefer water power over wind power because it was a bit more reliable. The hon. Lady must understand that, like me, she is answerable to constituents who will expect the lights to stay on throughout this decade and will expect electricity and gas and other main energy sources to be affordable and available. The danger is that, if we do not do more to expand our capacity of the transition fuels as well as working on improving and increasing renewables, we will not be able to guarantee the crucial features of a good energy policy: availability and affordability. So, yes, fine to the Bill, but it is about the 2030s. We need also to think about the 2020s.

Mark Jenkinson: We have heard a lot today about offshore wind and how it could be the saviour of our energy system. Is my right hon. Friend aware that the levelised cost of energy of our largest offshore wind farm last year was £140 per megawatt-hour, which is twice the price of nuclear energy, if not more?

John Redwood: I have learned enough about energy to know that people produce figures that suit their case. I agree with my hon. Friend that we can say that wind energy is a lot dearer than its advocates suggest. It depends on whether we cost out the back-up power and the back-up arrangements. Obviously, once the windmills are turning they deliver very cheap power, but there is a lot of sunk cost to take care of, and we do need to account somehow for the cost of the alternative when the wind does not blow. We would need to do quite a lot of homework, and probably not in a Third Reading debate, to crack what exactly is the true cost of wind power.

I urge Ministers to think again about availability and affordability now as well as their nuclear ideas.

7.58 pm

Mark Menzies (Fylde) (Con): I rise tonight to put on record my sincere thanks to the Secretary of State and to the Minister for Energy, Clean Growth and Climate Change, my right hon. Friend the Member for Chelsea and Fulham (Greg Hands) for the support they have shown to Springfields nuclear fuels, which is located in my constituency. I did a Westminster Hall debate a few months ago to highlight the importance of Springfields. It is the only nuclear fuel manufacturer in the UK, and it contains some of the most highly skilled people in the world when it comes to nuclear fuel design and manufacture. Part of that site is also the National Nuclear Laboratory. This is integral to the future of UK energy security and the next generation in the UK nuclear story.

I really want to thank the Government for everything they are doing and continuing to do. I know how hard they are working to secure the future of that plant and its workforce and to ensure that Springfields has an incredibly important part to play in the future. Let us be in no doubt that those of us on the Government Benches have always been committed to nuclear. We have not always pushed it as far forward as I would have liked, but no one can doubt the efforts the Government are making to ensure that nuclear plays an incredibly important part in Britain's industrial renaissance and in our low carbon journey. I will support this Bill on Third Reading.

Question put, That the Bill be now read the Third time.

The House divided: Ayes 458, Noes 53.

Division No. 155] [8 pm

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Ali, Rushanara
Ali, Tahir
Allan, Lucy
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Antoniazzi, Tonia
Argar, Edward
Ashworth, rh Jonathan
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baker, Mr Steve
Baldwin, Harriett
Barclay, rh Steve
Barker, Paula
Baynes, Simon
Beckett, rh Margaret
Bell, Aaron
Benn, rh Hilary
Benton, Scott
Beresford, Sir Paul
Betts, Mr Clive
Bhatti, Saqib
Blackman, Bob
Blake, Olivia
Blomfield, Paul
Blunt, Crispin
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradshaw, rh Mr Ben
Brady, Sir Graham
Braverman, rh Suella
Brennan, Kevin
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Britcliffe, Sara
Brown, Ms Lyn
Brown, rh Mr Nicholas
Browne, Anthony
Bruce, Fiona
Bryant, Chris
Buchan, Felicity
Buck, Ms Karen
Buckland, rh Sir Robert
Burns, rh Conor
Butler, Rob
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Cairns, rh Alun
Campbell, rh Sir Alan
Campbell, Mr Gregory
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Champion, Sarah
Charalambous, Bambos
Chishti, Rehman
Clark, Feryal
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Cooper, rh Yvette
Costa, Alberto
Courts, Robert
Coutinho, Claire
Cox, rh Sir Geoffrey
Coyle, Neil
Creasy, Stella *(Proxy vote cast by Chris Elmore)*
Crosbie, Virginia
Crouch, Tracey
Cruddas, Jon
Cummins, Judith
Daby, Janet
Daly, James
David, Wayne
Davies, David T. C.
Davies, Gareth
Davies, Geraint
Davies, Dr James
Davies, Mims
Davies, Philip
Davies-Jones, Alex
Davison, Dehenna
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Dinenage, Dame Caroline
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, Anneliese
Donaldson, rh Sir Jeffrey M.
Donelan, rh Michelle
Dorries, rh Ms Nadine
Double, Steve
Doughty, Stephen
Dowd, Peter
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duffield, Rosie
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eagle, Dame Angela
Eagle, Maria
Eastwood, Mark
Edwards, Ruth
Efford, Clive
Elliott, Julie
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elmore, Chris
Elphicke, Mrs Natalie
Eshalomi, Florence
Esterson, Bill
Eustice, rh George
Evans, Chris
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Foxcroft, Vicky
Foy, Mary Kelly
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Furniss, Gill
Gale, rh Sir Roger
Gardiner, Barry

Ghani, Ms Nusrat
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Girvan, Paul
Glen, John
Goodwill, rh Sir Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Green, Kate
Greenwood, Lilian
Griffith, Andrew
Griffith, Nia
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Gwynne, Andrew
Haigh, Louise
Hall, Luke
Hammond, Stephen
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, Helen
Heald, rh Sir Oliver
Healey, rh John
Heappey, James
Henderson, Gordon
Hendrick, Sir Mark
Henry, Darren
Higginbotham, Antony
Hillier, Dame Meg
Hinds, rh Damian
Hoare, Simon
Hodgson, Mrs Sharon
Holden, Mr Richard
Hollern, Kate
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Hopkins, Rachel
Howarth, rh Sir George
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Hussain, Imran
Jack, rh Mr Alister
Jayawardena, Mr Ranil *(Proxy vote cast by Stuart Andrew)*
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Johnson, rh Dame Diana
Johnson, Gareth
Johnson, Kim
Johnston, David
Jones, Andrew
Jones, Darren
Jones, rh Mr David
Jones, Fay
Jones, Gerald
Jones, rh Mr Kevan
Jones, Mr Marcus
Jones, Ruth
Jones, Sarah
Jupp, Simon
Kane, Mike
Kearns, Alicia
Keegan, Gillian
Keeley, Barbara
Kendall, Liz *(Proxy vote cast by Pat McFadden)*
Khan, Afzal
Kinnock, Stephen
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Kyle, Peter
Lammy, rh Mr David
Lamont, John
Largan, Robert
Leadbeater, Kim
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Lewell-Buck, Mrs Emma
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lloyd, Tony
Loder, Chris
Logan, Mark
Long Bailey, Rebecca
Longhi, Marco
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Mak, Alan
Malhotra, Seema
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCarthy, Kerry
McCartney, Jason
McCartney, Karl
McDonald, Andy
McFadden, rh Mr Pat
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
McPartland, Stephen
McVey, rh Esther
Mearns, Ian
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miliband, rh Edward
Millar, Robin
Miller, rh Mrs Maria
Mills, Nigel
Mishra, Navendu
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morden, Jessica
Morgan, Stephen
Morris, Anne Marie
Morris, David
Morris, Grahame
Morris, James
Morrissey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Ian
Murray, James
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Nandy, Lisa
Nichols, Charlotte
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Offord, Dr Matthew
Onwurah, Chi
Opperman, Guy
Oppong-Asare, Abena
Osamor, Kate
Osborne, Kate
Owen, Sarah
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Pennycook, Matthew
Penrose, John
Percy, Andrew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Philp, Chris
Pincher, rh Christopher
Pollard, Luke
Pow, Rebecca
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Randall, Tom
Rayner, rh Angela
Redwood, rh John
Reed, Steve
Rees, Christina
Rees-Mogg, rh Mr Jacob
Reeves, Rachel
Reynolds, Jonathan
Richards, Nicola
Richardson, Angela
Rimmer, Ms Marie
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rodda, Matt
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shah, Naz
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Sharma, Mr Virendra
Simmonds, David
Skidmore, rh Chris
Slaughter, Andy
Smith, Greg
Smith, Henry
Smith, Jeff
Smith, rh Julian
Smith, Nick
Smith, Royston
Smyth, Karin
Sobel, Alex
Solloway, Amanda
Spellar, rh John
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander *(Proxy vote cast by Greg Smith)*
Stephenson, Andrew
Stevens, Jo
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Streeting, Wes
Stringer, Graham
Stuart, Graham
Sturdy, Julian
Sultana, Zarah
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Tami, rh Mark
Tarry, Sam
Thomas, Derek
Thomas-Symonds, rh Nick
Throup, Maggie
Timms, rh Stephen
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, Tom
Twist, Liz
Vaz, rh Valerie
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Sir Charles
Walker, Mr Robin
Warburton, David
Warman, Matt
Watling, Giles
Webb, Suzanne
West, Catherine
Western, Matt
Whately, Helen
Wheeler, Mrs Heather
Whitehead, Dr Alan

Whitley, Mick
Whittingdale, rh Mr John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Winter, Beth
Wood, Mike
Wright, rh Jeremy
Yasin, Mohammad
Young, Jacob
Zahawi, rh Nadhim
Zeichner, Daniel

Tellers for the Ayes:
Michael Tomlinson and Craig Whittaker

NOES

Bardell, Hannah
Begum, Apsana
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Bonnar, Steven
Brown, Alan
Burgon, Richard
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Chapman, Douglas
Cherry, Joanna
Cooper, Daisy
Corbyn, rh Jeremy
Docherty-Hughes, Martin
Doogan, Dave
Dorans, Allan
Edwards, Jonathan
Ferrier, Margaret
Flynn, Stephen
Grant, Peter
Hanvey, Neale
Hobhouse, Wera
Hosie, rh Stewart
Jardine, Christine
Lake, Ben
Law, Chris
Linden, David
MacAskill, Kenny
Mc Nally, John
McDonald, Stuart C.
McDonnell, rh John
Monaghan, Carol
Morgan, Helen
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Oswald, Kirsten
Qaisar, Ms Anum
Ribeiro-Addy, Bell
Sheppard, Tommy
Smith, Alyn
Stephens, Chris
Sultana, Zarah
Thewliss, Alison
Thompson, Owen
Webbe, Claudia
Whitford, Dr Philippa
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Wishart, Pete

Tellers for the Noes:
Richard Thomson and Ronnie Cowan

Question accordingly agreed to.

Bill read the Third time and passed.

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at this day's sitting, notwithstanding Standing Order No. 16 (Proceedings under an Act or on European Union documents), the Speaker shall put the Questions necessary to dispose of proceedings on the motions in the name of the Chancellor of the Exchequer relating to (a) the Charter for Budget Responsibility and (b) the welfare cap not later than two hours after the commencement of proceedings on the motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker to the motion relating to the welfare cap which may then be moved; proceedings may continue, though opposed, until any hour, and may be entered upon after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Rebecca Harris.)*

Charter for Budget Responsibility and Welfare Cap

8.15 pm

The Chief Secretary to the Treasury (Mr Simon Clarke): I beg to move,

That the Charter for Budget Responsibility: Autumn 2021 update, which was laid before this House on 5 January, be approved.

Madam Deputy Speaker (Dame Rosie Winterton): With this we will take the following motion:

That the level of the welfare cap, as specified in the Autumn Budget and Spending Review 2021, which was laid before this House on 27 October 2021, be approved.

Mr Clarke: The charter for budget responsibility is, at its core, about fiscal responsibility. Its existence is born of the belief that stable public finances are the foundation for building a stronger economy for the whole country. Its purpose is to set out the Government's approach to managing the nation's finances openly so that the British people know that their money is being handled carefully and to give us a credible framework for action, underpinned by the Office for Budget Responsibility, which the OECD remarked is considered by many as a "model independent fiscal institution".

Given the challenges that we currently face, hon. Members may reasonably ask whether this is the appropriate time for such a debate, but the credibility of the Government's fiscal plan is what has allowed us to act as we have and will allow us to act again if we need to. In other words, we are updating the charter not simply for the sake of it, but to maintain what the Chancellor called at the Budget

"the path of discipline and responsibility".—[*Official Report*, 27 October 2021; Vol. 702, c. 275.]

Almost two years ago, in the face of the pandemic, we took bold and decisive action to commit unprecedented amounts of public money to support jobs and businesses across the UK. That, including the support recently announced in response to the omicron variant, has helped to prevent long-term scarring to the British economy. The International Monetary Fund praised our

"impressive, coordinated, and extended policy response",

while the OBR said that the costs of inaction would have been far higher.

The Government are proud of the decisions that we have taken, and that we continue to take, but we are not complacent. The pandemic has left us with the highest level of borrowing since the second world war and, at nearly 100% of GDP, public debt will reach its highest level since the early 1960s. That is clearly not sustainable over the long term.

It is important to keep debt under control for three key reasons. First, our level of debt means that we are more vulnerable to changes of interest rates and to inflation. In fact, OBR analysis from July found that our sensitivity of debt interest spending to changes in interest rates is almost twice what it was before the pandemic. A single percentage point increase in interest rates and inflation would increase annual spending on debt interests by over £20 billion in 2024-25, which is more than the entire Home Office budget for that year.

John Redwood (Wokingham) (Con): Could my right hon. Friend comment on what difference, if any, he thinks it makes that a significant proportion of that debt is now owned by the Bank of England, which is 100% owned by the Government on behalf of the taxpayers?

Mr Clarke: The Bank of England has obviously helped to underpin our wider response to the crisis that we face. Clearly, it does have a bearing on the relevant significance of debt, but it would be simply irresponsible to leave ourselves exposed in the manner in which we risk being if we fail to constrain the borrowing, which risks otherwise becoming an unacceptable burden and which would leave us very vulnerable. A 1% rise in interest rates would cost the Exchequer £22.8 billion in 2025-26. That is a meaningful level of exposure and one which we want to take action to address.

Richard Fuller (North East Bedfordshire) (Con): To help the Minister, would he not also point out that, under this Government, the Bank of England has reduced the proportion of new debt issuances, which are attached to rising inflation rates? So at least, due to the actions of the Bank of England over the past two or three years, that exposure has declined.

Mr Clarke: My hon. Friend is absolutely right. We are certainly not saying that we are in an untenable situation, but we are saying that it is important to meet our fiscal rules and to get debt falling as a percentage of GDP. As Conservatives, we believe that and we have won elections four times in the past 12 years on that basis. It is important that we continue to uphold that.

John Redwood: Further to that point, is my right hon. Friend not quoting a gross figure for the impact of a rise in interest rates, and quite a bit of that would be credited back to the Bank of England, which, in turn, could pay it back as a dividend to the Treasury?

Mr Clarke: I think it remains the case that we need to make sure that our debt-to-GDP ratio is more sustainable than it is at present, and I do not think colleagues would significantly demur from that. I take the point that, obviously, there is an interaction—some of these interactions are of a relatively circular nature—between the Bank and Exchequer, but none the less, it is important that we control our public debt. Indeed, we were able to respond to the pandemic as comprehensively as we did precisely because of the fiscal space created since 2010. The fact that we faced two once-in-a-generation shocks in just over a decade highlights why we must have the buffers to provide support when it is needed most and why we must act to rebuild those buffers, so that we are ready for any future shocks. In its most recent "Fiscal risks report"—not an easy one to splutter out—the OBR said:

"In the absence of perfect foresight, fiscal space may be the single most valuable risk management tool"

that we have.

The third and final reason we need to keep our debt under control is simple: our public finances are the legacy we leave for future generations, and the decisions we take now will have a material impact on the lives and livelihoods of our grandchildren. They will help or hinder their future ability to tackle long-term challenges, from climate change to an ageing population, or indeed to seize the opportunities that lie ahead.

The charter for budget responsibility contains new fiscal rules to guide us back to fiscal sustainability in a fair and responsible way. The rules will ensure that we get debt down over the medium term. They will allow us to deliver a significant uplift in capital investment, in turn driving economic prosperity, but without burdening future generations with borrowing to fund our day-to-day spending. The new rules require that underlying public sector net debt, excluding the impact of the Bank of England, must as a percentage of GDP be falling. The current budget must be in balance, which means that everyday spending must be paid for through taxation. Both rules must be met by the third year of every forecast period, giving us the flexibility to respond to events in the near term, such as omicron, while credibly keeping the public finances under control.

Finally, a third rule will ensure that public sector net investment does not exceed 3% of GDP on average over the forecast period. This rule will allow the Government to deliver on our ambitious plans for investment over this Parliament, with the highest sustained levels of PSNI as a proportion of GDP since the late 1970s. With this rule, we are delivering on plans to invest more than £600 billion in gross public sector investment over this Parliament to spread prosperity across the UK. The £4.8 billion levelling-up fund is part of that. An unprecedented investment package of £5.7 billion for eight English city regions to transform their local transport networks is also part of it. On top of these commitments, the UK Infrastructure Bank is now open for business and is expected to support more than £40 billion of infrastructure investment. Crucially, the rule also mitigates the risk of increasing debt to an unsustainable level. Our fiscally responsible approach supports growth while keeping debt under control.

Combined, these rules will guide responsible decision making. The International Monetary Fund has noted that

"Countries that have followed a debt rule have typically managed to reverse a jump in debt...significantly faster than other countries",

and it recently assessed that the

"new fiscal rules have anchored fiscal policy well".

Thanks to our support for the economy and early responsible decisions to strengthen our public finances, in its October forecast, the independent Office for Budget Responsibility confirmed that the rules were met. The current budget is in surplus and underlying debt is forecast to fall in the current target year, 2024-25. The rules will guide fiscal policy for at least this Parliament and will be reviewed at the start of each Parliament to ensure they reflect the economic context and mean that we can deliver for the British people.

In addition to the rules in this charter, we will go further, becoming one of the first countries to formally consider the broader public sector balance sheet in our management of fiscal policy. The OBR will now forecast broader measures, including public sector net worth, which it says provides a fuller picture of fiscal sustainability and allows for more sophisticated analysis.

The charter also retains the welfare cap in order to keep welfare spending on a sustainable path and to support the other rules in strengthening the public finances. Since the cap was last set at Budget 2020, the

[Mr Simon Clarke]

covid pandemic has had a significant impact on the medium-term outlook for welfare spending. To reflect that and to align with the updated fiscal framework, the level of the cap is being reset in line with the latest forecast. That leads to an effective increase of £10.5 billion in the cap by 2024-25.

Richard Fuller: I would like the Chief Secretary to educate me a little bit, because what I cannot appreciate is the impact of covid on welfare expenditure. In the short term, I can understand why that would be significant, but why does that move forward into the medium term, when one would anticipate that the economy is recovering and we have demand for people to go back into employment?

Mr Clarke: The reality is that much of what we have put in place—this has been a £400 billion response—will take time to filter through the economy and out the other side. Clearly we expect some of it to taper away, but there are large parts of the package that we have had to put in place to support lives and livelihoods that will undoubtedly take time to wash through the wider economic settlement. The welfare cap is designed to be an automatic stabiliser, but it is also partly a measure by which we can be held to account as a Government, because this is not like departmental spending; it is more akin to AME spending—it is not something where we can manage it in the usual way. Therefore it is important that by setting this cap, we give ourselves at least a benchmark against which our performance in managing those pressures can be measured by the end of the forecast period. It is vital to ensuring that we have a welfare system that provides fairness and accountability to the taxpayer and the House.

The updated charter delivers on our commitment to budget responsibility in a way that is appropriate to our current circumstances. I understand very well the concerns that hon. Members may have about inflation and rising prices. We have already introduced more measures to put money into people's pockets—increasing the minimum wage and cutting the universal taper rate. Although we have had to take important steps to protect the NHS and safeguard our economy, my right hon. Friend the Chancellor said in the Budget

"my goal is to reduce taxes. By the end of this Parliament, I want taxes to be going down, not up."—[*Official Report*, 27 October 2021; Vol. 702, c. 286.]

We want to reward innovation and hard work, as well as the sacrifices of the British people over the last two years. Our plan for stable public finances in the charter puts us in the best possible place to achieve this goal and to stay true to our Conservative ideals. Tonight, hon. Members have a clear choice—to vote for fiscal responsibility, a credible path back to sound public finances and a stronger economy for the British people, or to let slip the anchors and leave our economy vulnerable and adrift.

The charter balances flexibility to support the economy and our stated manifesto goals in the near term with stronger public finances in the medium to long term. It supports our vision for a stronger economy, levelling up across the UK through significant cash investment, and it safeguards a stable, prosperous future with a strong fiscal legacy for generations to come.

8.26 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): I begin by echoing the sentiments from Mr Speaker earlier following the death of my hon. Friend the Member for Birmingham, Erdington (Jack Dromey). I knew Jack for many years, from his time as deputy general secretary of what was then the Transport and General Workers' Union, and later as a colleague and fellow west midlands MP. He was a tough negotiator, always determined and loquacious, but pragmatic enough to reach a deal and stick to it. We are still in shock at Jack's sudden death on Friday. We will miss him greatly, and my sincere condolences go to my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) and their family.

On the motion, the Chancellor announced at the time of the Budget that he would bring this before the House. He made a big thing of it. At the time, we presumed that he would come along and display his credentials for fiscal probity. He probably thought that it was a clever move at the time, but it does not look so clever now. He has not even turned up for tonight's debate. What happened? Where is he? When he was dishing out money, he was everywhere. We could not move for Instagram videos and pictures of his slippers or sliders, or whatever they are called. Now the crunch is coming, he is nowhere to be seen.

Was the Chancellor worried that if he turned up tonight he would be asked what he will do about the cost of living crisis facing the country? Is he avoiding the House because he has nothing to offer people facing rises in energy bills of hundreds of pounds a year? Why is it that he has done one of his disappearing acts again? He was not here last month when businesses were crying out for support as Christmas bookings were cancelled in their thousands, and he is not here again this month for what he once told us was a central plank of the Treasury's strategy.

On the rules themselves, during the covid pandemic the Chancellor has had to borrow a great deal of money—approaching £400 billion extra. The pandemic was an emergency situation that required emergency measures. That is true in this country and around the world. Our fiscal rules, published at the time of our conference, take account of such emergency situations, because there is no point in having a set of fiscal rules that work only when times are good. Fiscal rules have to take account of all kinds of economic weather, and ours do exactly that. Crucially, our rules also allow for the investment plan needed for the transition to the lower carbon economy that we will need. The Government's fiscal rules do neither of those things.

Indeed, when we look at what is happening in the economy right now and what families around the country face in the real world, we have to wonder what the point of this exercise is. Did the Chancellor really think that tabling this motion would take attention away from the fact that he is imposing the highest tax burden on the country for 70 years? The Tories have become a high-tax party because they are a low-growth party. They are asking the British people to stump up the cost of their economic record not for the one or two years of the pandemic but for the past 12 years. Projections from the Bank of England do not look any better, with forecasts for growth of about 1% in 2024. Does the Minister really think that, with this motion, people will not

notice or remember that the Prime Minister and the Chancellor have driven a coach and horses through one of their central manifesto promises on tax with the forthcoming rise in national insurance? Is he trying to cover up for the fact that, as families face a cost of living crisis with steep rises in energy bills, he has no plan to help them?

The Minister may not have a plan, but Labour does, and it was set out yesterday by the shadow Chancellor, my hon. Friend the Member for Leeds West (Rachel Reeves). Our plan would offer every family £200 off bills this year. It would give a further £400 off bills for those with the lowest incomes. It would help the energy-intensive industries on which so many good jobs rely. It would be paid for, in part, by a windfall levy on the companies making the most money out of the huge spike in gas prices. It is fair, it would help the poorest most and it is fully costed. That is what people need right now—not a reheated political stunt thought up by George Osborne a decade ago.

We have to wonder what the conversation was when this was thought to be some great political idea. Did they sit around in the Treasury and say, "We've borrowed £400 billion. We're putting taxes up to levels not seen since the 1950s. We've wasted billions on failed programmes and dodgy contracts. But let's have a parliamentary vote to show that we are really fiscally disciplined"? It will not wash. People are seeing through it.

You do not have to take my word for it. Only today, the head of the National Audit Office drew attention to the level of waste that the Government are presiding over. He wrote that

"many of the interventions carried out by government are either not evaluated robustly or not evaluated at all. This means government…has little information in most policy areas on what difference is made by the billions of pounds being spent."

He added that only 8% of major Government projects "had robust evaluation plans". Perhaps that is not surprising when we have seen £3.5 billion-worth of contracts handed out to businesses run by contacts of the Conservative party, and—the Minister and I debated this last Wednesday night—£17 billion in extra costs for the taxpayer, which the Government casually legislated for last Wednesday night to pay for their own mistake in messing up public sector pensions reform.

Where is the Government's commitment to transparency, value for money or proper procurement practices in their fiscal rules? Did they forget to include those bits? Where is the commitment to tackling the level of fraud that has been exposed in Government lending schemes? Where is the commitment to controlling the Prime Minister's pet schemes? How much was spent on the Prime Minister's idea of building a bridge between Scotland and Ireland before the project was abandoned? The Chancellor should have known, because the Prime Minister has got form. He could not even build a garden bridge over the River Thames, let alone a bridge across the Irish sea.

Alison Thewliss (Glasgow Central) (SNP): I am always glad to hear that bridge mentioned, because I did a second-year geography project at high school that could have told the Prime Minister it was a terrible idea. Does the right hon. Gentleman agree that, given that was an infrastructure project for the people of Northern Ireland and Scotland, we should get the money that was committed to it?

Mr McFadden: I would like to know how much was committed to it. I hope the Minister clarifies that while he is wrapping up and telling us about fiscal probity.

But in the spirit of solidarity, I do have some sympathy with the Chancellor these days. It cannot be easy when his tax policies do not even have the support of his own Cabinet colleagues. The Leader of the House has made his views known. He has told all and sundry that he wants the tax rises coming in April to be cancelled and the Prime Minister has been too weak to do anything about this open breach of Cabinet discipline. Is it a free-for-all in Cabinet nowadays? Does every Cabinet member get to have their own tax policy? Have all the leadership campaigns destroyed whatever collective discipline there might once have been? The former Brexit Secretary, the right hon. Member for Haltemprice and Howden (Mr Davis), who is not with us tonight, has even taken to using our argument about this Government resembling Ted Heath more than Margaret Thatcher. I know that is not how the Chancellor wanted to be remembered. He wanted to be regarded as a tax-cutting modern monetarist, a worshipper of the true Tory faith. But the real truth is that you cannot stand up and give a Budget that imposes the highest tax burden since the 1950s and then issue a disclaimer at the end of it. It is just not credible. It will not wash and nor will this motion today.

People want help with what they are facing now. The impending squeeze on family incomes in this country is going to take a battering ram to people's standard of living. It is not just global factors; it is about years of regulatory neglect in the energy market that created a whole host of small energy Northern Rocks that have now had to be bailed out, and about the choices made by this Government through tax rises. Yes, there are global factors in the energy market, but the crisis has been made worse because of decisions and choices made by the Government.

We have published a plan to help people. This is a changed Labour party coming up with real answers to a real cost-of-living crisis faced by families today, and we are facing an exhausted Conservative party that has run out of answers and has sacrificed for ever the mantle of being the party of low taxation. Perhaps there is no greater evidence for that weariness than the fact that on the question households throughout the country are most worried about, how they are going to pay the bills this year, the Government have said nothing at all.

8.37 pm

John Redwood (Wokingham) (Con): Let me return to the subject of the debate, the charter for budget responsibility. I will not follow the Opposition into a debate on the general state of the UK economy, which I am sure we will have other opportunities to discuss.

I see this as the Maastricht rules tribute debate. Every year under the Maastricht treaty, whether under Labour, coalition or Conservative Governments, we used to have a debate. We had to look at the two fiscal rules, which of course both came from the European Union: rule one was that the budget deficit had to be 3% of GDP or less; and rule two was that we had to either be below 60% of GDP with our state debt, or we had to show how we were going to get down to 60% of GDP

[John Redwood]

with spending cuts or tax rises. The UK normally favoured the tax rise route, rather than the spending cut route.

That was characterised by the Opposition parties of the day, once the Conservatives or the coalition were in office, as austerity economics, although they would never accept that the cause of the austerity was the rules designed in Brussels. They would point out, when I made that point, that, "Oh well, because the UK is not a member of the euro there are not the same penalties imposed if the UK fails to comply." The fact was, however, that the whole UK economic machine—Bank, Treasury and officialdom—believed they were very serious commitments and that, as they were treaty commitments, the UK had to keep to them. So when we finally got out of the EU, I was one of those voices saying to the Government, "Let's scrap all that. Let's not have those Maastricht tribute debates"—although I think we had one even after we left—"and let's have our own UK framework." That is what we should be debating tonight.

The Government have come up with a charter for budget responsibility, which I welcome, but reading the detail, it has a familiar ring to it. What are the two main rules in the charter? One is that we must keep the budget deficit down to 3% or below. It has been repackaged in relation to investment, but it is basically the 3% Maastricht budget deficit rule. The second rule is that, by the third year, debt should be falling as a percentage of GDP. Of course, our debt is well above 60%, and it will be quite a long time before we get back to 60%, if at all. It is now built into the framework as a regular review item, although it has the extra twist that it is a three-year average, so there is a bit more scope for flexing things.

I think we can do better than this Government. We could come up with an economic framework geared to the modern needs of an independent country, and I would suggest that our charter should embed two great aims of economic policy. The first aim that it should definitely embed is controlling inflation. It is right that the so-called independent Bank of England—this House regularly changes the rules and shows that it is actually in charge of the Bank of England—is charged with the duty of keeping inflation down to around 2% on average. I have no problem with that as a target, but the Government need to adopt it as a target as well, because as Ministers must well know, we cannot do all of the heavy lift through monetary policy—we cannot do it all through interest rates or quantitative easing. We also need to have a sensible fiscal policy.

Above all, the Government, who control such a huge chunk of the economy, need to manage their own affairs well, in terms of productivity, sensible real wage growth and so forth, and they have a duty to follow an anti-inflation strategy for the public sector directly under their control as a back-up to what the Bank and monetary policy are trying to do. I think that we should embed the inflation policy more firmly in the charter and that the Treasury should have to tell us how it is contributing to controlling inflation. It will be very topical this year, because clearly inflation is considerably above where we would all like it to be and there is no immediate sign that it is about to drop down, although I think it will drop down towards the end of the year, unless policy is particularly foolish.

The second criterion or objective that I would put in the charter is a growth objective. Labour made an entirely fair point by saying that what matters is growth. The faster the growth—as long as it is not inflationary—the more we would solve our deficit and debt problems. Our economy and our figures are incredibly sensitive to the growth rate. In the first half of the current financial year, we had very fast growth. It was a recovery phase and things were going fairly well from the covid lockdowns. As always, the OBR and the Treasury completely misjudged what favourable impact growth has, so they overstated the deficit for the first six months of the year by a whopping £50 billion. The deficit tumbled by £50 billion more, with no tax rises. But there was a huge tax rise—it was called tax on growth. More people went to work, and more people earned higher wages, bonuses or salaries. More people spent more money, so there was more VAT. So income tax receipts, VAT receipts and other receipts in the economy greatly outperformed the OBR and Treasury forecast, demonstrating that, if we can go for growth, we will make much better progress on the debt and deficit, which we need to do, than if we go for austerity economics, slowing the economy with tax rises and a too abrupt monetary deceleration.

I urge the Government to look again at whether they can improve on the objectives in the charter, to reflect on it and to see how an independent Britain can have a growth policy. If the Government established a growth target—they would not always hit it, but they could establish it—it would start to inform the actions of every Government Department that has a bearing on the strength of our economy, new jobs and all the rest of it. That is what we want. We want a Whitehall that is positive about Britain, not one that is trying to hold it back. We want a Whitehall that thinks Britain can achieve things—can invest here, have more jobs here and substitute for imports—rather than a negative Whitehall that says, "Gosh, there is too much borrowing, What can we cut? What can we tax? What can we stop?" We want less stopping and more positive going. We want more ability, generated by a growth policy, to show that an independent Britain can produce more of its own energy, grow more of its own food, catch more of its own fish, and make more of its own personal protective equipment and of its own medical requirements.

David Linden (Glasgow East) (SNP): That speech would perhaps have done even better with "Jerusalem" on in the background. The right hon. Gentleman speaks about growing more food, but can he tell me who is going to pick that food from our fields?

John Redwood: It will be picked by people paid decent wages, and if that requires wages to go up a bit, I have no problem with that. It will also be picked by the growing mechanisation of agriculture. Our agriculture is not as fully mechanised in a lot of farms as it is possible to do when there are better capitalised farms, like those that have been growing more food elsewhere. How pessimistic that was—why is the hon. Gentleman not proud of the United Kingdom, Scotland or wherever, thinking that we can achieve more and do more? Why do we always have to be stopping people doing things, and saying that nothing is going to work and so let us import all our vegetables from Spain, all our flowers from the Netherlands and all our energy from Russia, Germany or the Netherlands or wherever because we

are not able to do it here in Britain? It is just not good enough. We have this huge opportunity. We have a very talented people. We have many natural resources. We have a perfectly good temperate climate for growing most of our own food. So, Government, get on with it. Having a growth target would help energise a Whitehall that still seems to be very disappointed in the country it is trying to govern and seems to be trying to hold it back.

One other thing that the Chief Secretary mentioned in his remarks, which is mentioned briefly in the text we are debating tonight, intrigues me. It says that balance-sheet items are being worked on but have not yet reached a state of development where they can be shared with the rest of us. How long does it take? Why do the officials to the Government not know the asset and net asset position for the country? I believe there are some figures we can get from public sources that show that we do have some guesses about all that, but is it not rather important that when we debate the state of the nation's finances, we understand the balance sheet as well as the income account and that we know whether the public sector is adding value and long-term wealth or not? If it is, why do we not claim some credit for it? If it is not doing enough of that, we need to ask the difficult questions about the wisdom of the investments, the productivity of the schemes and all the things that go into making that a success.

I did ask the Chief Secretary about a balance-sheet item. I think it actually makes a difference if you have bought in your own debt, because you owe the debt to yourself. I am not asking for anything imprudent to be done. I understand why we have gone through this rather tortured process, as has the European Central Bank and the Federal Reserve Board, and as, for many years, has the Bank of Japan. But we should not then fool ourselves into thinking that we have a worse problem than we have. The fact is that all these countries and currency areas spent a lot of money and created a lot of money to buy in debt over the pandemic, and we have got away with it, with a caveat that we have a little too much inflation. That debt is purchased; it is now both an asset as well as a liability of the state, so it is wrong to think that it is just a liability. The new argument is, "We owe the Bank of England and if the short rates go up, we owe the Bank of England more interest and so forth". Yes, but it gets the receipt. If we want to do the transaction, the Treasury pays the Bank and the Bank can pay the Treasury back, because the Treasury owns the Bank. If I had bought in my mortgage from a mortgage company, I would probably just forget the whole thing. However, on Bank of England and Treasury logic, every month I would pay interest to myself because I still owe the mortgage, but then I could take that money back and spend it because I own the mortgage company and it is no longer a proper debt.

I think we have to understand that something different has occurred with quantitative easing, and I do not think we should go on doing it. It is normally very inflationary and very dangerous. In the strange circumstances of a covid lockdown in which a huge amount of demand and activity were taken out of the system, we could get away with it; indeed, it was right to do it, and I supported the Government at the time and praised them for the stimulus they offered. However, that has gone, and we now need to have sensible finances. To run those well, I strongly recommend a firm inflation target—inflation is a little too high at the moment, and needs to be taken very seriously—coupled with a much more optimistic growth target, because that is the way to grow the balance sheet and get the debt and the deficit down.

8.50 pm

Alison Thewliss (Glasgow Central) (SNP): Let me first extend my condolences to colleagues on the loss of Jack Dromey, and my condolences to his family and friends. I know how much he will be missed, because he was a brilliant Member of this House.

How nice it is to see the Chief Secretary to the Treasury here again in place of the Chancellor! It would seem that when the going gets tough, the Chancellor goes missing, or at least to California. I am not quite sure where he is today, but I am sorry we are not seeing him. Having looked at the reports of previous statements of this kind, I know that it has always been the custom for the Chancellor to make them here. It is disappointing that while he talks big in the Budget, he disappears when it comes to these debates.

No one is denying that the past 18 months have been very trying times, and that, as all Governments around the world have done, the UK Government have spent big to try and get us out of the pandemic with as little scarring as possible. Fiscal policy provided more resilience during the pandemic than we have experienced in recent memory, but as we have seen with the emergence of omicron, and as I have said repeatedly in this place, covid is not done with us yet. We are still facing considerable challenges and a period of uncertainty, so why would the Government want to tie their own hands by setting themselves some new rules?

As we have seen from Westminster Tory Governments in the past, it looks very much as though the reasons for a move back to austerity are ideological rather than economically sound. The right hon. Member for Wokingham (John Redwood) also opposes austerity, although for different reasons. Cutting support too soon poses a big risk to our economy, especially when the UK is facing a 4% expected reduction in GDP owing to Brexit—twice as much as the scarring expected from the covid pandemic.

The OBR has said that the Chancellor has left himself with very little fiscal space. Richard Hughes told the Treasury Committee that

> "Just a 1% interest rate rise could easily wipe out the Chancellor's headroom."

It is clear from the OBR report that the Chancellor has already missed all four of the existing legislated fiscal targets. It states:

> "The fiscal mandate was missed by £274.7 billion (13.1 per cent of GDP).
>
> The supplementary debt target was missed by 12.5 per cent of GDP.
>
> Spending subject to the welfare cap is on course to exceed the legislated cap in 2024- 25 by £7.9 billion and to exceed the cap plus margin by £4.1 billion"—

more than in March 2021—and

> "The legislated fiscal objective is on course to be missed by £46.4 billion (1.7 per cent of GDP)."

[Alison Thewliss]

In the face of all those missed targets, what have the Government done? They have, of course, set themselves a bunch of shiny new targets, on which, interestingly, the OBR has commented:

"In our central forecast, the proposed fiscal mandate and all three supplementary targets are more likely to be met than missed".

That leads us to wonder whether this is yet more sleight of hand on the part of the UK Government. If they cannot meet the old targets but can meet the new ones, something smells pretty fishy to me.

The targets that the UK Government set themselves are also on a three-year rolling basis. If you were cynical, Madam Deputy Speaker, you could guess that there is a bit of an incentive to game those targets. Richard Hughes of the OBR told the Treasury Committee:

"The risk of having the target for it to fall is that there can be an incentive to get it to rise in the first two years, so you can get it to fall in the third."

With this UK Government, little would surprise me. The rule to restrict Government investment seems absolutely bizarre. How can the Tories claim that they want to level up, while squeezing spending? That will have an impact on already woeful growth and productivity levels. The UK will lag behind other nations with no real plan to get back out of it, if these rules are to be believed.

Moving to the welfare cap, we can see yet more sheen for the way in which this policy works in the papers than for how it works in practice—talking tough instead of supporting those who need it most—and as with so many things that this Government do, it is all just smoke and mirrors. The OBR points out that the welfare cap

"has been raised at each of the four occasions that it has been substantively reset: twice under Chancellor Philip Hammond (in Autumn Statement 2016 and in Autumn Budget 2017); and twice under Chancellor Rishi Sunak (in Spring Budget 2020 and in this Budget)."

If we look at page 158 of the Red Book, we will see that the UK Government have moved jobseeker's allowance, the state pension and universal credit payments to jobseekers outside the scope of the welfare cap. Yet again, if the Government do not like the figures, they simply change the rules.

The Government have also said:

"The cap will only be breached if, at the point of formal assessment, spending within scope is forecast to be above the level of the cap and margin for any reason",

and that if the cap is breached they will nod it through Parliament. Who would vote against that? But it is an entirely false narrative and it does not even meet the needs of those who depend on social security, who should be the real priority.

The UK Tory Government are happy to take money from the poorest families to appease the right wing of their party and to get a cheap headline, and they are happy to do so again now, during the worst cost of living crisis in our lifetime. All this talk of the rules that the UK Government set themselves in order to have the sheen of fiscal responsibility is a million miles away from the reality of life for so many of our constituents right now.

Our constituents are facing a cost of living crisis. According to the Office for National Statistics, two thirds of people have already said that their cost of living has increased in the last month, and polling released by YouGov this morning reveals that 33% of people are worried about their energy bills rising by more than they can afford. There are three main drivers of this crisis: energy price rises, general inflation and tax rises, culminating in the prediction that households are expected to experience the worst rise in living costs in a generation this year.

Paul Johnson, director of the Institute for Fiscal Studies, has said:

"The combination of substantial tax increases and big increases in prices, particularly energy prices, will be a larger shock for households on average earnings than anything at least since the financial crisis and possibly for a long time before that."

Household electricity bills are likely to increase by more than 50% in April, when the Government's cap on bills is lifted. Investec suggests that the price cap will rise by 56%, pushing the average bill from £1,277 to around £2,000 a year. That will disproportionately affect those at the bottom end of income distribution, who spend a larger proportion of their income on utilities and food. It will have a much bigger impact on discretionary spending for that group. The *Financial Times* estimates that

"the rise would reduce family discretionary spending by nearly 7 per cent for the poorest households, almost 4 per cent for people in the middle of the income scale",

and by only

"2 per cent for the richest."

Combined with that, the Federation of Small Businesses has pointed out the impact of the increase in energy costs on small and microbusinesses. Those small businesses are not inside the energy cap and may well have to pass the costs they face on to their consumers, again driving up the cost of living. Imagine a small corner shop, where prices are already often more expensive than those at a large chain supermarket—if that shop faces increased fuel bills, where will that cost go? It will go on to the prices at the till for the consumers who depend on that local shop.

In another of Brexit's great rollbacks, the Prime Minister said in 2016 that one of the great benefits of Brexit would be the UK's ability to cut VAT on energy bills. Now he says that

"it is a bit of a blunt instrument and you end up cutting fuel bills for people who don't need the same help."

Well, many people up and down this country, in all of our constituencies, are crying out for that help while this UK Government stick their fingers in their ears.

Rises in electricity prices will happen alongside planned increases in tax, impacting already squeezed families. The Chancellor is presiding over a £12.7 billion increase in national insurance at a time when incomes are already stretched. That is an average of £400 per employee—a tax on jobs at the very worst possible time—and an increasing number of Tory Back Benchers, as well as the Leader of the House, want the Prime Minister to scrap it. If those on the Treasury Bench will not listen to me, they should at least listen to some of their own.

On top of this, all income tax thresholds and allowances are to be frozen, bringing £1.6 billion into the Treasury coffers. The Chancellor often likes to point out that this

affects higher-income taxpayers, and while it is obvious that it will affect them by the greatest absolute amount, as a proportion of income there is no doubt that poorer families will feel the effect of this policy as its eats further into the diminishing disposable income of those who had any money to spare to begin with.

Prices are rising faster now than at any time in the past 10 years. Goldman Sachs estimates a 6.8% rise in prices in April, even if the Government offset the increase in energy bills. The forecast increase in inflation is much larger than the expected increases in earnings and pensions, even factoring in the 6.6% rise in the minimum wage for those on the higher rates. Benefits are to increase in April by 3.1%, but that is a real-terms cut in income for universal credit claimants, even when offset by the most conservative of forecasts of inflation.

This has all the hallmarks of a crisis, and it is a crisis that lies at the doorstep of the Chancellor and of this UK Government. The people of Scotland did not vote for this crisis, this Government and this increased cost of living. They want to see action to protect them at this most difficult time that all of us are facing. Ordinary families are bearing the brunt of the cost of living crisis, while the Prime Minister claims he cannot get by on his £157,000 salary, living in a flat redecorated with Tory donor cash.

The UK has the worst levels of poverty and inequality in north-west Europe. It is clear that action must be taken now or the Tories will push millions more into hardship. Rather than pochling the fiscal rules to get a good headline, the UK Government must bring in an emergency package of support—introducing a low-income energy payment, matching the Scottish child payment across the UK, reversing the £20 a week cut to universal credit, raising the minimum wage for all to a real living wage and raising statutory sick pay to the real living wage level of £9.90 an hour. Rather than a series of meaningless targets that shift whenever it suits the Government, building an economy where citizens can get through the winter without relying on food banks and fuel banks ought to be the true definition of fiscal responsibility in government. SNP Members will be voting against both the motions tonight.

9.2 pm

Richard Fuller (North East Bedfordshire) (Con): One of the primary reasons a Parliament was established was to protect property owners from the excessive claims of the state, and over the last quarter century this is a duty that successive Parliaments have spectacularly failed to fulfil. Encouraged by benign trends and with the irrepressible pressure of the media to spend more and take on more responsibilities, while hampered by a globalisation of capital that has moved the ownership of property offshore and therefore made it harder to tax, the political class in this country and in this Parliament appears to have lost any sense of the responsibility to pay for what they spend.

As speakers have said in this debate already, the UK now has the highest peacetime tax burden since world war two. The UK Government have direct debts of £2.6 trillion. In addition, there are unfunded pension liabilities and other off-balance sheet liabilities that take that total closer to £4.6 trillion, yet speaker after speaker, even in this debate, says, "Spend more, spend more."

Since 2009, the Bank of England has been printing money, and notwithstanding the very clear points made by my right hon. Friend the Member for Wokingham (John Redwood), that £895 billion of quantitative easing is a potential debasement of the currency. Even though it may have been moving interest from one hand to the other hand between the Treasury and the Bank of England, there is a long-term understanding from capital markets that if Governments and sovereigns are quite happily able to print their own money, those who wish to lend money in the future will ask for a higher interest rate to cover that risk. UK Governments over the last 30 years have benefited from at least a 30-year decline in the yield curve, and perhaps we have grown used to an expectation that a lender will, in real terms, actually pay for the privilege of funding public expenditure.

To me, this is a very precarious financial situation for the UK Government, so what of our prospects? The right hon. Member for Wolverhampton South East (Mr McFadden) and the hon. Member for Glasgow Central (Alison Thewliss) talked about economic growth somehow being the magic cure, saying that the United Kingdom was doing uniquely poorly and that they had a special plan. But the truth of the matter is that economic growth across all the developed OECD countries has declined from an average of over 3% per annum in the 1970s and '80s to an average of below 2% in the period since 2000. The relative position of the UK to the OECD is better now than it was in the '70s and '80s, so the argument that the UK Government are missing something in their growth strategy that other countries have found is without foundation. I have heard the right hon. Member for Wolverhampton South East make this point before, and it is a neat point. That is why I went to check the figures, and I would encourage him to do likewise.

Geopolitical risks are growing, partly driven by a 50-year strategy to integrate China economically and politically into the democratic system. That is now at least in question, if not in reverse. We should think very carefully about the fact that disengaging China and its productive capacity from the global trading system risks adding to inflationary pressures. Demand from sovereign borrowers among all developed countries has risen from 70% of GDP a few years ago to over 200% of GDP—not just the UK but all developed countries. That is a level not seen since world war two, and it puts pressure on international global liquidity that increases expectations that the 30-year decline in yield curves may well go into reverse.

I am yet to see any evidence that all of us politicians have really learned how to stand up to the constant demands to spend more and involve the Government more as the answer to every single question that the media put to us. I would only hope that we pay more attention to those who have to pay for that rather than to getting the credit for saying that we can solve every problem.

Greater risks, rising interest rates, higher inflation expectations and a political class that has not really focused on the need to pay for things are the context in which we have the Government's charter for budget responsibility. It is a welcome addition, because it makes changes that start to confront some of those pressures. There is an additional focus on assessing the affordability of public debt. It is rather a surprise that we did not

[Richard Fuller]

have that as a focus previously. It has also added a cap on investment expenditure of 3% of GDP. I take the good point made by my right hon. Friend the Member for Wokingham that that sounds a bit reminiscent of the European Union plans. However, there does seem to be a problem of Departments bidding to the Treasury based on expectations of the rate of return they are going to make and the Treasury then having to stand back and be a barrier against all those demands on the public purse. The cap on investment expenditure is a prudent addition to make.

The charter adds a new key indicator of public sector net worth. I encourage the Minister to move very quickly to let us have the details on that. New Zealand put this together in the last millennium, so it cannot be that hard to do, although I recognise that it can be misleading as well as insightful.

One thing that is not in the charter is the consequences for breaking fiscal rules. This point was made by the hon. Member for Glasgow Central. It is good to write certain fiscal rules but it is also good for there to be consequences on behalf of taxpayers for Governments who do not meet those rules, and that should be more than just a new rewriting of the rules.

Finally, I want to make a point about long-term trends in the Bank of England. Paragraph 3.20 of the document says:

"The Treasury's objective in relation to debt management policy is…to minimise, over the long term, the costs of meeting the government's financing needs, taking into account risk, while ensuring that debt management policy is consistent with the aims of monetary policy."

I like the phrase "over the long term", which hides all sorts of problems. I thought I would try to find the long term, so I turned to the January 2020 working paper by the Bank of England, "Eight centuries of global real interest rates," to see what it might tell us about the Bank's thinking. I am concerned that the Bank of England has had a view about inflation rates that is a little too benign. The working paper says:

"Against their long term context, currently depressed sovereign real rates are in fact converging 'back to historical trend'…real rates could soon enter permanently negative territory."

This is the big question I would like the Minister to answer: is it the expectation that we are living, for the foreseeable future, in an era in which we anticipate that interest rates, in real terms, will be negative and declining? Or will that be the long-term trend, but subject to major fluctuations in the short term? People's livelihoods depend much more crucially on that expectation than on other things we might debate in the near future.

9.10 pm

John McDonnell (Hayes and Harlington) (Lab): I will be brief. The debate has roamed over more than just the fiscal rule and the welfare cap, and I will not tread on those other parts of the debate. My right hon. Friend the Member for Wolverhampton South East (Mr McFadden) demonstrated the economic and political farce of the current Government. The right hon. Member for Wokingham (John Redwood) made much of the role of Bank of England debt, which would be interesting to pursue in another debate, and the hon. Member for Glasgow Central (Alison Thewliss) pertinently drew attention to the iniquitous nature of the welfare cap. The hon. Member for North East Bedfordshire (Richard Fuller) made an interesting contribution, but his definition of Parliament's role as being to protect property is something of a 17th-century view of democracy that we might want to debate elsewhere.

In our debates during the banking crash there was a popular understanding that the cause of the crash was the way in which the system had operated as a result of the finance sector's greed and incompetence, alongside the mismanagement of financial regulation over decades. The Conservative party made a big argument at the time and subsequently that we were in a weaker position because of our deficit at the time of the crash. That is a feeble argument, but there is some substance to it, and I argued at the time that the reason for the deficit was that we did not have an adequate taxation policy to match our overall expenditure.

That argument is for another time, but I say to the hon. Member for North East Bedfordshire that I remember George Osborne ripping into Gordon Brown and others when even the concept of a fiscal rule was raised. George Osborne then ripped into the ludicrousness of a fiscal rule that no one would ever abide by and that had no sanctions. When he was appointed Chancellor in 2010 under the coalition and proposed the fiscal rule process, some of us thought it was ripe to say the least.

However, the most iniquitous bit of that debate was the combination of introducing the individual benefits cap and the overall welfare cap. The individual benefits cap is egregious, and it has forced people into poverty and hardship. In many of our areas, it has affected people's mental health in a way that has pushed many over the edge and some into taking their own life—that is the tragedy of that element of the cap.

The overall welfare cap is part of that political direction. The point has been made time and again that austerity was a political choice, not an economic necessity. Part of that political choice was the introduction of the cap. After austerity was introduced, people woke up to the fact that public services were being cut on a scale we had not seen before. This was impacting on the health service, education and local council expenditure, and in addition to that, there were pay freezes and in the end, because of inflation, pay cuts. There was an understandable reaction against that. I can remember the deep unpopularity of the coalition Government in those early stages.

I think that a cynical decision was made; in fact, I know that a cynical decision was made because Lord Freud, who was responsible for welfare policy and supposed welfare reform, has exposed in recent months that a cynical decision was made. It was not made on the basis of welfare reform or economic management; its purpose was to find a scapegoat. The scapegoat that was unfortunately chosen by the then coalition Government was the poorest in our society: the unemployed, the people with disabilities and, tragically, children as well. I remember the language that was used, and I have to say that it permeated many sides of this House too. Strivers were set against skivers. I remember the tales of the twitching curtain, where some would stay in bed while others went to work. That certainly did not reflect what was happening in my constituency, because everyone I came up against was desperate for a job, and more importantly, they were desperate for a job that paid a wage that would keep a roof over their head and put food on the table for their children.

That is where the welfare cap came in. Of all the expenditure, that was the area that had to be capped in some form. Other areas of expenditure that were equally demand-led were not debated. This was done specifically because a scapegoat had to be found, and we went back almost to the attitudes of the poor law and the workhouse. I remember those debates. I was offended by them, I was made angry by them, but above all else I was shamed by them and by the fact that this House could stoop to that level. That is what happened, and people suffered as a result.

This welfare cap, associated with the fiscal rule, is a base anachronism that should no longer exist. For as long as it exists, as we go through a period where the economic pressures will impact on any Government—the cost of living crisis is easy to say as a phrase, but there is a reality to it and it is already causing hardship in many of our constituencies—I fear that this Government will want to find another scapegoat, and that it will be the poor again. It will be the disabled. It will be those who cannot find a job or cannot get enough hours in a job to keep them out of poverty. The Government will use the same mechanisms, and the welfare cap will be part of them as long as it remains in statutory form. That is why I will be voting against the welfare cap tonight. In principle, this is an appalling piece of legislation. It has proved to be inhumane in its impact, and it is a weapon that will be picked up again to attack the working-class people that I represent. That is why I want to put on record tonight why I oppose it and will continue to oppose it until we have hopefully secured a Government that will throw out this abysmal piece of political weaponry against working-class people.

9.18 pm

David Linden (Glasgow East) (SNP): It is a pleasure to follow the right hon. Member for Hayes and Harlington (John McDonnell), and I agree with everything he said. He is right to take aim at the coalition Government. I note that there are no Lib Dem MPs here tonight to defend their role in that Government, particularly in relation to the welfare cap.

In the interests of time, I will focus my remarks largely on the second motion before the House tonight, but I think that this Government will at some point have to confront the blatant contradiction of their mantra on budget responsibility and fiscal discipline and how it correlates with their new buzzword of levelling up. If I understand the Government right, levelling up either means giving more money to the traditional red walls seats at the expense of the traditional Tory shire seats—something the Government deny and have denied off the back of the by-elections in North Shropshire and Chesham and Amersham—or it means spending new money in the old red wall seats, which flies in the face of the fiscal discipline this Government and the Chief Secretary to the Treasury like to talk about. They cannot have both. That is a fact that the Chancellor will need to realise, especially when he has one eye on a Tory leadership race against the Foreign Secretary. I do not know where the Chancellor is tonight. Maybe he is planning his next series of Instagram posts.

I thought it was interesting that the hon. Member for North East Bedfordshire (Richard Fuller) spoke about the importance of adhering to these fiscal rules once they are set in place. Perhaps the Government's approach will be the same as that of the Secretary of State for Northern Ireland, which is that it is okay to break rules in a very specific and limited way.

I rise primarily to indicate my opposition to the principle of the welfare cap, which I will vote against tonight. We are also being asked this evening to vote on a charter for budget responsibility, but I would like the Government to bring forward a charter for societal responsibility, because it is clear that the contract between Whitehall and the most vulnerable in my constituency has been eroded to the point of breaking down entirely.

Yes, there has been limited devolution of social security powers to the Scottish Parliament, which excites me and gives me hope for the future, not least because we can implement social security policies that are underpinned by dignity, human rights and respect, but the inescapable constitutional reality is that 85% of welfare expenditure and income replacement benefits remains the responsibility of this institution and the British Government.

However, as constituency MPs we know that an arbitrary cap on welfare is neither useful nor adequate, as has been demonstrated by previous breaches of the cap. Quite simply, the welfare cap does not address the fundamental and clear structural issues that leave people relying on social security: issues such as low pay, gender inequality and wider labour market inequality.

I understand that it is easy for me, as an opposition MP, to stand up and pan the British Government's policy agenda without offering solutions on how we can strengthen the social security net, so I want to set out where the SNP would do things differently. For a start, I think the British Government need to spend less time obsessing over the ideological plaything of a welfare cap and instead fix the fundamental flaws in our social security system. Straightaway, at the stroke of a pen, they could end the sanctions regime and conditionality. They could abolish the five-week wait for universal credit. They could end the bedroom tax in other parts of the UK. They could reinstate the £20 uplift in universal credit. Indeed, they could extend the uplift to the 2 million legacy benefit claimants who were so heartlessly left out in the cold at the beginning of the pandemic, because people with a disability have increased extra costs, and that £20 uplift should have applied to them too. The Chief Secretary to the Treasury spoke earlier about putting arms around people during the pandemic, so I remind him that those 2 million legacy benefit claimants certainly did not feel the embrace of the Government's hug then.

Before I draw my remarks to a close, I want to focus specifically on the role of the devolved Governments in social security provision and, in particular, offer some thoughts on the Scottish context. I mentioned before that, with limited social security powers, Scotland is already making clear its intentions and priorities when it comes to supporting the most vulnerable and tackling poverty. One such example is the game-changing Scottish child payment rising to £20 per child per week. That equates to an investment of £197 million and will help lift 40,000 children out of poverty in 2023-24. Absolutely, that goes some way towards undoing the damage of years of Westminster actions to undermine and weaken the social security net.

But people in Scotland have to wake up to the fact that fighting poverty and inequality will only be hindered, not helped, by a Government in London who are fixated

[David Linden]

on a welfare cap and removing vital financial support for the least well off, because in many respects devolution is increasingly having to act as something of a sticking plaster to mitigate the very worst effects of Tory austerity and Westminster's welfare cuts. Yes, the Chancellor—wherever he is tonight—might be a wealthy multimillionaire who thinks that £20 a week here and there does not make much difference, but for my constituents in Carmyle, Carntyne and Craigend, £20 is an awful lot of money. That £20 can mean the difference between cheap ding dinners and proper nutritious meals for their children that help fuel them to learn and grow healthily.

Yes, devolution in Scotland means doing things differently, with a focus on greater free school meal provisions, abolishing the bedroom tax, or indeed introducing the Scottish child payment. But there are limits to devolution, especially when it comes to the lack of borrowing powers. I believe that tonight's debate again makes the case for Scottish independence, because Scottish independence means we will not have an arbitrary cap on welfare, thereby capping our ambitions to tackle structural inequality and poverty. Scottish independence is about creating a charter for societal responsibility and looking after the most vulnerable people in our communities.

Tonight's motions show that Scotland being governed from London, and by London, will not achieve that. It was noticeable that even the Labour Front-Bench spokesperson, the right hon. Member for Wolverhampton South East (Mr McFadden), made hardly any reference to the welfare cap. It is clear that regardless of which party is in power, that will be an issue for people in Scotland. Only independence can tackle poverty and inequalities that are prolonged and perpetuated by an arbitrary Westminster welfare cap, which I will oppose tonight.

9.25 pm

Beth Winter (Cynon Valley) (Lab): We are here this evening to discuss the welfare cap that is referred to in the autumn Budget. Introduced in 2014, it is designed to limit spending on social security. This is notable as it reflects the Conservative hostility to properly fund a social security safety net for the most vulnerable and disadvantaged groups in society.

The welfare cap is repugnant and regressive, and is driven by a Conservative ideological approach to stigmatising those in poverty and experiencing hardship. It does absolutely nothing to tackle the underlying causes of people's reliance on social security, which is a failure of the economic and social policies of successive Tory Governments.

When it was introduced in 2014, my right hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott) said in this Chamber:

> "Everyone in the House wants to bring down welfare spending, because welfare spending is the price of Government and social failure…This benefits cap is arbitrary and bears no relationship to need, as our benefits system should."—[*Official Report*, 26 March 2014; Vol. 578, c. 389.]

She was absolutely right. The cap was also condemned by economists from the National Institute for Economic and Social Research, and the New Economics Foundation. Even the OBR questioned whether the welfare cap has any meaningful impact on spending plans and outcomes.

The cap covers carer's allowance, disability living allowance, personal independence payments, universal credit and the winter fuel payment. It is wrong in principle to subject these to an arbitrary cap. The cap itself does not reduce the need for social security.

As others have said, we are facing a crisis in the cost of living. The Joseph Rowntree Foundation estimates a third of low-income households—some 3.8 million people—are already behind on their bills, and 4.4 million households took out new or increased borrowing during the pandemic. If inflation stays at its December rate into April this year, the number of people being pulled into deep poverty will be around 200,000. Do the Government believe that this amounts to a negative shock? At what point do they consider rising poverty a shock? In the coming months, I expect—indeed, I know—that many more people in my constituency of Cynon Valley, and across Britain, will face a negative shock.

The covid pandemic has had a devastating effect in my constituency, and it will be exacerbated by the continuation of the welfare cap. That is partly why I recently commissioned independent research by a think-tank in Wales—the Bevan Foundation—on my constituency, called "The Cynon Valley after covid: action for recovery and renewal." The findings are absolutely shocking.

In Cynon Valley, the rates of unemployment doubled during the pandemic and by March 2021 we had the highest rate of economic inactivity of all constituencies, not just in Wales but in Britain—a staggering 42% of people of working age. Many of these people, through no fault of their own, are now reliant on benefits that come within the scope of the welfare cap. We have 6,000 people on universal credit and over 5,000 still on legacy benefits. They are also now suffering from the £20 cut to universal credit.

How many more are going to have to join them this year due to the Government's failure to lift minimum pay to a real living wage, end insecure work and zero hours contracts, control rip-off energy bills or properly invest in building sufficient affordable and suitable housing? I could not visit my local citizen's advice bureau in Mountain Ash or the local food bank in Aberdare and say that I backed this welfare cap. It is gesture politics of the worst kind, grounded in demonisation and hostility to social security recipients—the most vulnerable and disadvantaged in our society who need our support. The priority must be to lift incomes, reduce reliance on social security and maintain a sufficient safety net for those in need. That is why I oppose this welfare cap.

9.30 pm

Jim Shannon (Strangford) (DUP): I say respectfully to the Minister that I want to speak on the welfare cap and endorse the comments that others have made, using cases from my own constituency of Strangford. I see the issues very clearly. To be fair to the Minister, I absolutely understand the rationale behind capping the amount that the state spends on welfare. We cannot hold on to what we do not have in our hand, and we cannot give what is not ours to give. We do have to be responsible, but we also need to ensure that the funding that we are allocating to NHS reform and to the latest stages of the covid battle is adequate, while keeping an eye on the amount borrowed, which is beyond belief in my opinion. The hon. Member for North East Bedfordshire (Richard Fuller) said that it is hard to understand just how much money has had to be borrowed.

However, at the same time, it must be said that people are struggling and that they need more help, and that is what I am going to say on behalf of my constituents of Strangford. For many people, the withdrawal of the covid lifeline of the £20 uplift to universal credit has left them in a precarious situation. I can see that. I know that. Let me provide the evidential base for what I am saying; others have done so and I want to do the same. I know because the number of referrals to the food bank in my constituency has doubled. I spoke to the guys there just last week. I asked whether I was right in saying that the number of people applying to the food bank this year was greater than ever before. The answer was yes. I can see that statistically from my office. I can also see the levels of hardship and poverty to which the hon. Member for Glasgow East (David Linden) referred. People are struggling. They are the working poor. They are the people on low wages who are finding it incredibly difficult to make ends meet. I see families whose income has stayed the same and yet, in Northern Ireland, they are facing increased costs due to the Northern Ireland protocol. Let me give Members an idea of the prices that are being asked and where they are going—where they were before and where they are now.

One local business in my town is renowned for bargains. It carries a range of £1 products. The business owner informed me that his range of 600 £1 products now cost between £1.15 to £1.29 each. That is for bleach, dishcloths, toilet rolls—the things that people need every day. These are not luxury items; they are the essentials. The owner informs me that he has not made 1p more on these products. His income is up because prices are up, but his profits are down because people cannot afford to be buying his goods. The impact is felt even in a pound shop where the products are sold for only £1 or thereabouts.

There has been a 15% rise on groceries alone. Add into this a 30% gas rise and a 20% electric rise, and the problem is clear. This is why it is right and proper for this Government to review the welfare spending cap and then lift it due to the dire circumstances that working families and those who are ill and vulnerable find themselves. The right hon. Member for Hayes and Harlington (John McDonnell) referred to those who are disabled. Things are hard enough for those who are able-bodied, but it is even worse for the disabled.

I wish to pose a question to the Minister—I do it respectfully and he knows that. This is a genuine question and not a political point. Will the rise be sufficient to make a meaningful difference to families on the poverty line? Is the increase proposed today enough to do the job and to do it right? The cap set at the spring Budget 2020 was restated following some methodological changes. In 2024-25, it was set at £126.8 billion, with a margin of 3%. The new aim is that the cap in 2024-25 will be £138.3 billion, with a margin of 2%. Will that be enough for those who need it?

I know that all families in Northern Ireland are bearing the brunt of the intransigence of Brussels in its refusal to do the right thing and allow us to trade with the rest of the UK. This is not the debate on the Northern Ireland protocol, but its effects are felt in my constituency. There can be no discussion about people on the brink of the poverty line without acknowledging the effect of the protocol on the finances of every person who buys anything in Northern Ireland. This is about every mother unable to purchase gifts on Amazon and paying astronomical amounts for Christmas presents for their children as they were outside delivery areas, and every business owner paying more for products to cover the cost of the procedures. All those people show that Northern Ireland is much poorer financially for the protocol, as well as culturally.

I support the uplift of the welfare cap. I am no smarter than everybody else, but I understand the issue because my constituents tell me. I understand the reservations of those who do not want to borrow more, but we must get our local businesses back to earning and paying tax, which covid has removed. Wages for the working poor mean disposable income that is spent in the local economy, and people having enough to heat their homes and clean them. There is work to be done on the economy of this nation to encourage business and enterprise to tap into the global market. In the meantime, we must have enough money to spend on our vulnerable and needy. I have never seen anything quite like this year, and if this measure is needed as a first step, we must take that step today.

9.36 pm

Dan Carden (Liverpool, Walton) (Lab): I will be brief, Madam Deputy Speaker. This debate seems to be the definition of a pointless exercise. While there is total economic uncertainty, we are setting out fiscal rules that, if the Government break them, they will change next year. I am here to put on record and speak in opposition to the welfare cap. I represent some of the most deprived communities in England, and the welfare cap is simply a continuation of a policy that is designed to appease those intent on demonising the least well-off. It is political weaponry of the worst order. People are struggling with day-to-day costs, and there is a cost of living crisis that soaring energy prices and inflation threaten to make much worse—this year, next year and the year after.

What possible sense can there be in wasting time here and now, putting arbitrary caps on the winter fuel payment, on cold weather payments, on carers allowance, on support for the disabled, on in-work universal credit or on support for people's housing costs? It is nonsense. Even the Government's own organisation, the OBR, has questioned the welfare cap's usefulness.

The Government have broken the current cap twice in recent years, so they are left continually raising the cap and changing its scope, for no other reason than it is not prudent, and it does not work. If the Government wanted to bring down the nation's welfare bill, they would focus relentlessly on tackling the causes of the cost of living crisis; by tackling insecure, low-paid work and boosting wages; by controlling extortionate rents; and by ending the scandal of rip-off energy bills that only fuel corporate profits. Instead they choose to waste time playing games and posturing.

The people I represent need a social security system that supports and enables them, not one that punishes them and strips away their dignity. In these difficult, uncertain times, the Government are not being serious by continuing with this unworkable, arbitrary cap.

9.39 pm

James Murray (Ealing North) (Lab/Co-op): Today could have been a chance for Treasury Ministers to come to the House and set out plans to help people facing the rising costs of living in 2022. They could have

[James Murray]

come here to offer immediate help to people now, alongside a plan to invest what is needed in the long-term future of our country, but that is, sadly, not what we have seen. Despite widespread anxiety across the country about soaring energy bills, we have heard nothing on that front from the Government today.

Nor it seems did the Chancellor reflect over Christmas on the Government's plans to ratchet up national insurance contributions in April. Treasury Ministers could have come here today to announce that they would not go ahead with the tax hike on working people and their jobs, but we have heard nothing from them on that front, either. Instead, we have seen Ministers defending their harmful and economically illiterate cap on investment in our country's future.

Treasury Ministers should be using their first outing of the new year at the Dispatch Box to explain how they will help with the rising cost of living, which, as my right hon. Friend the Member for Hayes and Harlington (John McDonnell) and my hon. Friends the Members for Cynon Valley (Beth Winter) and for Liverpool, Walton (Dan Carden) all pointed out, is affecting so many of our constituents. If the Government do not know what to do, they are welcome to use Labour's plans. As the shadow Chancellor, my hon. Friend the Member for Leeds West (Rachel Reeves), set out over the weekend and as my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) set out earlier, our plan would bring energy bills down this year, partly funded by a one-off windfall tax on North sea gas and oil profits. It is a bold and balanced package that would help everyone in the country, and it is a fair and fully costed plan that would help families on low incomes the most.

The Government could also follow Labour's lead when it comes to their national insurance increase on working people and their jobs. As we set out in September last year, that tax hike is wrong when the burden should be borne by those with the broadest shoulders. While the Conservatives' failure to help people now will cause hardship for many in 2022, their failure to invest in our country's future will cause damage for years to come. Their approach shows that they have learned nothing from their failures of 12 years in power. They are not listening to business groups and economists, who have made clear how vital they think investment in our country is, and they have learned nothing from countries overseas. Even if the Government get investment up to their 3% of GDP target, we will still be at the bottom of the OECD countries behind Ireland, the US and Mexico. Is that really their vision for global Britain?

The truth is that the Government's position simply confirms that Ministers do not understand what our country needs for the future, and their failure to invest has a direct impact on people's lives. Their failure to invest what was needed in the past 12 years in gas storage and additional energy sources has made the jump that we face in energy bills far worse. Their failure to invest in safe and affordable housing has made the housing crisis that we face far worse. Their cap on investment now means that they will fail to invest what is needed to decarbonise our economy, making the damage to our country in the long run far worse, too.

Ministers could have come here today to follow Labour's lead by committing to £28 billion of capital investment in our country's green transition in every year of this decade. Our fiscal rules set out how we would make that investment in the future while balancing the books and getting debt falling. That level of capital investment is needed to tackle the climate crisis and to create jobs for the future, from insulating homes across the country to ensuring that wind turbines are manufactured here in Britain. However, that would not be possible under the Chancellor's charter, which as a result will cost our economy and our country more in the future.

When the case for investment is so strong, why is the Chancellor so keen to stop it? We would ask him, but, as my right hon. Friend the Member for Wolverhampton South East drew to the House's attention, he has not turned up. We wondered where he was and whether he was in California again. I can tell you, Madam Deputy Speaker, that he has been spotted in the building. He is so contemptuous of his own fiscal rules that he has not even bothered attending the debate. I suspect he has realised that he has called it wrong—the stunt has not worked—and, true to form, when he finds questions too uncomfortable or too difficult, he is nowhere to be seen. He may have thought it was clever to have a parliamentary vote to distract from the Government's record of high taxes, high prices and high levels of waste, but his plan to cap investment will only make things worse by stunting the economy and trapping us further in the Tories' low-growth cycle.

The Tories are putting up taxes on working people in 2022 despite energy bills being set to soar, and they are spending their time struggling to defend their damaging investment cap rather than tackling the climate crisis, creating jobs and heeding calls from business to invest in the future. The Opposition will not vote to lock us further into a low-growth, high-tax cycle. We will back British businesses and workers by supporting the investment needed in net zero growth to create jobs for the future, fund first-class public services and improve living standards for everyone in our country.

9.44 pm

The Economic Secretary to the Treasury (John Glen): I would like to start by agreeing with the remarks of the shadow Chief Secretary to the Treasury, the right hon. Member for Wolverhampton South East (Mr McFadden), concerning the great sadness at the passing of Jack Dromey at the weekend. I debated some legislation with him three years ago and he was a man of the greatest integrity. He was one of the best of us and he shall be missed across the House. My thoughts and prayers are with his family, especially the right hon. and learned Member for Camberwell and Peckham (Ms Harman), at this difficult time.

It is a privilege to close the debate on behalf of the Government and I thank Members, who have made informed contributions. In a few moments, I will turn to the substantive points that they have raised.

The pandemic has left us with levels of borrowing unparalleled in our peacetime history. Without considered action, something that was necessary in the short term could easily become unaffordable in the long term. The British people look to us now for a clear commitment that we will address that threat. As a Government, we

will always be responsible with their money and, once the crisis has passed, deliver on our promise to strengthen the nation's finances.

The charter represents a world-leading framework to guide us—a clear path back to fiscal sustainability—and it sets out a route to prosperity. On the one hand, we will get debt falling and rebuild our fiscal defences. On the other hand, we will support the economy to the best of our ability and invest in the future. To do otherwise would mean failing to fulfil our own potential and denying future generations the chance to fulfil theirs. Instead, we choose a plan that will enable us to rebuild the fiscal buffers, create the conditions for a strong economy and deliver on our historically significant investment plans. It also provides a sustainable welfare system while increasing the level of the cap, to reflect the impacts of the pandemic on our society, as the Chief Secretary to the Treasury set out in his opening remarks. In the plainest terms, to vote for the welfare cap motion is to vote simply to increase its level.

I want to turn now to some of the substantive points made in the debate. I do not recognise the characterisation by my right hon. Friend the Member for Wokingham (John Redwood) of this debate as a "Maastricht tribute debate", but I do recognise his enthusiasm for growth and his desire to target growth. That is obviously a critical element of the Government's strategy. It is absolutely clear that we need to focus on greater productivity and it is important that, as set out in our plan for growth, with a focus on skills, infrastructure and innovation, we will deliver the key priorities of levelling up and net zero. I do not think that we disagree about the importance of economic growth and productivity, but because of the actions that we took to support our economy, we have been more successful than previously feared in preventing the long-term economic damage of covid. In its latest forecast, the OBR revised down its scarring assumption, from 3% to 2%.

The remarks of the hon. Member for Glasgow Central (Alison Thewliss) were echoed in part by the hon. Members for Glasgow East (David Linden) and for Cynon Valley (Beth Winter) and the right hon. Member for Hayes and Harlington (John McDonnell). I make it really clear to the House that the £10.5 billion increase to the cap provides the headroom above the forecast to allow for fluctuation in cap spending, and the cap only formally applies in 2024-25. The hon. Lady referred to rolling rules. Obviously, they can absorb some of the shocks and endurable challenges we face. I also draw her attention to the remarks of the Institute for Government:

"The rationale for a rolling target is that it provides flexibility should the economic situation change."

I turn now to the very thoughtful and characteristically well-informed speech by my hon. Friend the Member for North East Bedfordshire (Richard Fuller), who set out the historic perspective but also recognised the changing macro-economic realities globally.

I thank hon. Members for their speeches. None of us in this House takes stewardship of the public finances lightly. It is important that we recognise that we take all steps that we can to ensure that this country is set on the right course. Therefore, I commend the motions to the House.

Question put.

The House divided: Ayes 309, Noes 206.

Division No. 156] **[9.50 pm**

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Allan, Lucy
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Argar, Edward
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baker, Mr Steve
Baldwin, Harriett
Barclay, rh Steve
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Campbell, Mr Gregory
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Cox, rh Sir Geoffrey
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davison, Dehenna
Dinenage, Dame 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
Duguid, David
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Gale, rh Sir Roger
Ghani, Ms Nusrat
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Girvan, Paul
Glen, John
Goodwill, rh Sir Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Hall, Luke
Hammond, Stephen
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian

Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Jayawardena, Mr Ranil *(Proxy vote cast by Stuart Andrew)*
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Mak, Alan
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
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Miller, rh Mrs Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Pow, Rebecca
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richards, Nicola
Richardson, Angela
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Simmonds, David
Skidmore, rh Chris
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander *(Proxy vote cast by Greg Smith)*
Stephenson, Andrew
Stevenson, Jane
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, Tom
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Mr Robin
Warburton, David
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittingdale, rh Mr John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Williams, Hywel
Williamson, rh Gavin
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Ayes:
Michael Tomlinson and Craig Whittaker

NOES

Ali, Rushanara
Ali, Tahir
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, rh Jonathan
Bardell, Hannah
Barker, Paula
Beckett, rh Margaret
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Alan
Brown, Ms Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Chapman, Douglas
Charalambous, Bambos
Cherry, Joanna
Clark, Feryal
Cooper, Daisy
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Creasy, Stella *(Proxy vote cast by Chris Elmore)*
Cummins, Judith
Daby, Janet
David, Wayne
Davies, Geraint
Davies-Jones, Alex
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doogan, Dave
Dorans, Allan
Doughty, Stephen
Dowd, Peter
Duffield, Rosie
Eagle, Dame Angela
Eagle, Maria
Eastwood, Colum
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Ferrier, Margaret
Flynn, Stephen
Fovargue, Yvonne
Foxcroft, Vicky
Foy, Mary Kelly
Furniss, Gill
Gardiner, Barry
Gibson, Patricia
Grant, Peter
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hanvey, Neale
Hardy, Emma
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hillier, Dame Meg
Hobhouse, Wera
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart
Howarth, rh Sir George
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, Darren

Jones, Gerald
Jones, rh Mr Kevan
Jones, Ruth
Jones, Sarah
Kane, Mike
Kendall, Liz *(Proxy vote cast by Pat McFadden)*
Khan, Afzal
Kinnock, Stephen
Kyle, Peter
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Leadbeater, Kim
Lewell-Buck, Mrs Emma
Linden, David
Lloyd, Tony
Long Bailey, Rebecca
MacAskill, Kenny
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Maskell, Rachael
Mc Nally, John
McCarthy, Kerry
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGovern, Alison
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Monaghan, Carol
Morden, Jessica
Morgan, Helen
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Nandy, Lisa
Newlands, Gavin
Nichols, Charlotte
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Oppong-Asare, Abena
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Owen, Sarah
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qaisar, Ms Anum
Rayner, rh Angela
Reed, Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rimmer, Ms Marie
Rodda, Matt
Russell-Moyle, Lloyd
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Slaughter, Andy
Smith, Alyn
Smith, Jeff
Smyth, Karin
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas-Symonds, rh Nick
Thompson, Owen
Thomson, Richard
Timms, rh Stephen
Vaz, rh Valerie
Webbe, Claudia
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Noes:
Liz Twist and Navendu Mishra

Question accordingly agreed to.

Resolved,

That the Charter for Budget Responsibility: Autumn 2021 update, which was laid before this House on 5 January, be approved.

WELFARE CAP

Motion made, and Question put,

That the level of the welfare cap, as specified in the Autumn Budget and Spending Review 2021, which was laid before this House on 27 October 2021, be approved.—*(Scott Mann.)*

The House divided: Ayes 306, Noes 54.

Division No. 157] [10.3 pm

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Allan, Lucy
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Argar, Edward
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baker, Mr Steve
Baldwin, Harriett
Barclay, rh Steve
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Cox, rh Sir Geoffrey
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
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
Duguid, David
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Gale, rh Sir Roger
Ghani, Ms Nusrat
Gibb, rh Nick
Gideon, Jo
Glen, John
Goodwill, rh Sir Robert
Graham, Richard
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Hall, Luke
Hammond, Stephen
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian
Hoare, Simon
Holden, Mr Richard
Hollern, Kate
Hollinrake, Kevin
Hollobone, Mr Philip

Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Jayawardena, Mr Ranil *(Proxy vote cast by Stuart Andrew)*
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Kearns, Alicia
Keegan, Gillian
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Mak, Alan
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
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Miller, rh Mrs Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Pow, Rebecca
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richards, Nicola
Richardson, Angela
Robertson, Mr Laurence
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shapps, rh Grant
Sharma, rh Alok
Simmonds, David
Skidmore, rh Chris
Smith, Greg
Smith, Henry
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander *(Proxy vote cast by Greg Smith)*
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, Tom
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Mr Robin
Warburton, David
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittingdale, rh Mr John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Ayes:
Michael Tomlinson and Craig Whittaker

NOES

Bardell, Hannah
Begum, Apsana
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Bonnar, Steven
Brown, Alan
Burgon, Richard
Byrne, Ian
Campbell, Mr Gregory
Carden, Dan
Chapman, Douglas
Cherry, Joanna
Corbyn, rh Jeremy
Docherty-Hughes, Martin
Doogan, Dave
Dorans, Allan
Ferrier, Margaret
Flynn, Stephen
Gibson, Patricia
Girvan, Paul
Grant, Peter
Greenwood, Margaret
Hanvey, Neale
Hollern, Kate
Hosie, rh Stewart
Johnson, Kim
Lavery, Ian
Law, Chris
Linden, David
Mc Nally, John
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
Monaghan, Carol
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Oswald, Kirsten
Qaisar, Ms Anum
Ribeiro-Addy, Bell
Rimmer, Ms Marie
Robinson, Gavin
Shannon, Jim
Sheppard, Tommy
Smith, Alyn
Stephens, Chris
Sultana, Zarah
Thewliss, Alison
Thompson, Owen
Webbe, Claudia
Whitford, Dr Philippa
Winter, Beth
Wishart, Pete

Tellers for the Noes:
Richard Thomson and Ronnie Cowan

Question accordingly agreed to.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Dame Rosie Winterton): With the leave of the House, we will take motions 6 and 7 together.

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

ARMORIAL BEARINGS, ENSIGNS AND FLAGS

That the draft Flags (Northern Ireland) (Amendment) Regulations 2021, which were laid before this House on 23 November 2021, be approved.

INTERNATIONAL IMMUNITIES AND PRIVILEGES

That the draft International Organization for Marine Aids to Navigation (Legal Capacities) Order 2022, which was laid before this House on 2 November 2021, be approved.—*(Scott Mann.)*

Question agreed to.

Simon Hinchley-Robson: Discharge from the RAF

Motion made, and Question proposed, That this House do now adjourn.—*(Scott Mann.)*

10.15 pm

Clive Efford (Eltham) (Lab): Over the last few years, I have been supporting Simon Hinchley-Robson in his pursuit of justice for the way he was treated when he was discharged from the RAF in 1986 for being gay.

Mr Robson signed up to serve his country for 22 years in the Royal Air Force in 1980. He came from a family with a tradition of serving their country: his brother was in the Army, his father had been in the Navy and his grandparents had served in the RAF. In 1986, while he was serving as a chef at RAF Brawdy, Haverfordwest, Wales, he became ill and was diagnosed by RAF medical staff as having glandular fever. After the diagnosis, he continued to lose weight and then requested a test for AIDS. The doctor who was examining him became extremely angry, and he was transferred to a civilian hospital, where he took the test. After 10 days, he was discharged from hospital back to RAF Brawdy. Immediately on his return, he was arrested by the RAF police—the Special Investigation Branch. The request for the test was taken as an admission that Mr Robson was gay.

I will read Mr Robson's own words, which describe what happened to him from the moment he arrived back at RAF Brawdy:

"What happened next was the most horrendous and awful experience no one should ever have had to endure. I was led to an interrogation room, this, unknown to me, was to be my home for the next 4 days. I was denied food, I was denied sleep and only given small amounts of water.

I was immediately searched, asked to strip and searched internally. They said that this was procedure. As a young 21-year-old, terrified, what do you think was going through my mind?

I was asked to list every person in any of the services I had some sort of relationship with, this I refused. On refusing, I was assaulted and again instructed to strip, the medical gloves went on and I was again subject to what I can only say was 'RAPE', while I was again internally searched.

After about 12 hours I was taken, handcuffed, to my billet and the SIB (Special Investigation Branch) then searched all my belongings and personal letters, my mattress was slit open and I was told this was because they were looking for drugs.

My mail was taken away and read...they said, I was most likely being blackmailed and as such, they needed to make sure Defence secrets were not being passed on"—

and this is Mr Robson's emphasis—

"Hello I am a chef, no access to data, aircraft, secrets etc.

After this humiliation in front of many camp personnel as I was paraded to my billet, not driven, in handcuffs, and for all to see, I was then taken back to the interrogation room. I was thinking that this was the end, and that would most likely be the end of my career, how wrong I was.

It was change of shift, and the process started all over again, searched, told to strip, medical gloves on, internal searches again. At this point, I was now convinced this was happening for their…pure sadistic satisfaction, yet I had no recall to complain to any officers in charge as the SIB were a law unto themselves.

With the change of shift the process started all over again, they wanted names, none were given, and I was slapped for not helping them."

I should add here that Mr Robson has explained to me that the shifts changed every four hours, and on every change of shift he was stripped, searched and searched internally. We must ask what the purpose of these searches was. Given that he was in custody all of this time and had no means of obtaining drugs, how could he have anything to hide? What was taking place was a form of torture of Mr Robson for being gay. The question has to be asked: was this sanctioned by the RAF? This seems likely: after all, there was remarkable consistency in the pattern of behaviour between the shifts. How common was it for gay personnel to be abused in this way, or does the Minister believe, as Mr Robson asks, that it was to satisfy the sadistic pleasures of those inflicting the humiliation?

Mr Robson continues:

"They pulled out a number of birthday cards and a get-well card. In one it read, 'Hurry up back to the kitchen Si, Paul is missing you' with a big smile. This comment refers to a colleague chef, who I didn't see eye to eye with, it was a joke message.

The SIB were now convinced he was involved. This person was married was serving overseas in Cyprus with his family and that, would be the next port of call."

I should add here that, according to Mr Robson, two members of the Special Investigation Branch were flown to Cyprus to interview this other chef. They interviewed his wife about his sexuality, and they interviewed his primary school aged daughters.

Returning to Mr Robson's words:

"Throughout the interrogation I was handcuffed and treated like a terrorist, how was this allowed to happen in Her Majesty's Royal Air Force.

I was a Chef, no access to any classified material unless they wanted the recipes for a lasagne, all this humiliation went on for 4 days, and to their sadistic satisfaction, it wasn't until the 4th day we had a new female doctor arrive in camp [who] intervened and stopped the interrogation. I was immediately sent home on sick leave to await my discharge.

I had been spat at, hit, examined by individuals that were plain animals, and all because I had admitted I was Gay."

Mr Robson states that officers from the SIB told him:

"We don't have gays in HM Royal Air Force",

and that they

"should all be put on an island and nuked."

He was also told that he was

"the lowest level of life."

The irony of all this is that, at the end, when he went back finally to sign his discharge papers, which he had to do to avoid going to prison for 18 months, he was required to sign to join the reserves for three years, meaning that, if needed, he could be called up to serve in an emergency.

At the time that this took place, none of Mr Robson's family was aware that he was gay. That meant that he effectively lost his job and home and risked being outed. This left him mentally distressed and suicidal. He has told me of others he knows who went through the same treatment, for whom the distress was too much and who went on to take their own lives.

Mr Robson had signed up for 22 years with the RAF and he considered this to be his life and career. He would have received a full pension and lump sum when he left the service, but instead he receives a minor pension. As a consequence of his forced discharge under threat of being charged and imprisoned, Mr Robson lost his income and the pension that he would have been entitled to.

[Clive Efford]

Mr Robson made clear what he wants from the Government in a 2018 letter to the then Prime Minister, the right hon. Member for Maidenhead (Mrs May):

"I want the Government to admit that these interrogations and humiliation of gay people were wrong. I should be compensated for this now that it is accepted that LGBT people can serve in the armed forces.

I want my pension, as if I had served my full term, is that not rightful thing to do?

I want a public apology for what I went through and many others and for those who did not have the strength to see it through and took the suicide road."

At the time of Mr Robson's ordeal, the Sexual Offences Act 1967 had ended prosecutions against civilians who were gay. This did not apply to members of the armed forces until 1992. Subsequent decisions of the European Court of Human Rights clearly demonstrate that armed forces personnel were discriminated against and had their rights denied at this time. Many suffered the additional personal and physical abuse that Mr Robson endured, and have had no recognition of their treatment or compensation for the salaries and pensions that they have missed out on.

I am aware from answers I have received in letters from Ministers that section 10 of the Crown Proceedings Act 1947 was in force at the time of Mr Robson's discharge and that although it was subsequently rescinded, this was not applied retrospectively. In a recent answer, the then Minister for Defence People, the hon. Member for Plymouth, Moor View (Johnny Mercer), quoted the Limitation Act 1980, section 11 of which provides a three-year period after the date on which the cause of action accrued in which personnel can make a complaint.

My view is that those regulations cannot be used to deny Mr Robson his right to justice. I would point to the illegal actions of the RAF's Special Investigation Branch when Mr Robson was in its custody. He was physically assaulted on at least 12 occasions by multiple individuals, he was denied his right to legal representation, and his human rights were violated.

I would argue that there is no statute of limitation that excuses this criminal behaviour and can prevent Mr Robson from being compensated by the country that he wanted to serve. Although 36 years have passed since Mr Robson was discharged from the RAF, I urge the Minister to go away and reflect on his unacceptable treatment at the hands of the SIB, and, having done so, to accept that the Government are morally bound to compensate him for being denied the chance to serve his country as he had planned, and for the physical torment that he suffered for being gay.

10.25 pm

The Lord Commissioner of Her Majesty's Treasury (Alan Mak): Let me begin by associating myself with the tributes from Mr Speaker and many others to Jack Dromey. He will be missed across the House, and I send my condolences to the right hon. and learned Member for Camberwell and Peckham (Ms Harman) and the rest of Jack's family.

I congratulate the hon. Member for Eltham (Clive Efford) on securing an important debate on an important issue. I know that he is a long-standing and formidable advocate for the LGBT+ community in his constituency, and the issue that we are discussing tonight clearly has broader implications for the way in which Defence treats its people. That, however, should in no way diminish the harrowing experiences of Mr Hinchley-Robson in the 1980s. I have no wish to defend that behaviour. It was plainly appalling. It was inexcusable, it was wrong, and it unfairly tainted a promising career. It is certainly to Mr Hinchley-Robson's great credit that despite receiving that treatment, he has been able to go on and serve his community with distinction, as he once served his country.

I want to address the issue of compensation from the outset. As the hon. Gentleman noted, at the time of Mr Hinchley-Robson's service in the RAF, section 10 of the Crown Proceedings Act 1947, which barred members in Her Majesty's forces from pursuing common law claims for compensation against the Ministry of Defence, was in force. As the hon. Gentleman also noted, section 10 was subsequently repealed by the Crown Proceedings (Armed Forces) Act 1987, but that was not made retrospective.

However, in 1999 the European Court of Human Rights concluded that the MOD had discriminated against service personnel in relation to sexuality as a protected characteristic. That led to the Court directing the MOD to provide a remedy for those who were affected, with most pay and pensions claims being settled by 2008. As regards new claims for compensation, the MOD would always advise that independent legal advice be sought. When common law claims are received, they are considered on the basis of whether or not the MOD has a legal liability to pay compensation. When there is a proven legal liability, compensation is paid.

We should not forget that, shocking though Mr Hinchley-Robson's case is, it is historical. The MOD of 2022 is a very different entity from its 1980s incarnation. Mr Hinchley-Robson was discharged from service in line with the policy in place at the time. That unjust and retrograde policy was rightfully changed on 12 January 2000, and the RAF, in line with the other services, now has a range of policies and processes to ensure that such unlawful discrimination is eliminated.

Clive Efford: I did point out in my speech that those regulations were in place at the time, and they have been quoted to me in previous correspondence with Ministers. What I am also highlighting, however, is the physical abuse that Mr Robson suffered at the hands of the Special Investigation Branch, which went way beyond just applying the rules and regulations that existed at that time. Surely the Government have some responsibility to him as a consequence of that behaviour.

Alan Mak: I have seen the correspondence to which the hon. Gentleman has referred, and I am aware of the allegations that have been made. They are very serious, and, as I said earlier, my advice is for Mr Hinchley-Robson to make a formal claim to which the MOD will respond.

In 2012, power was conferred on the Home Secretary to formally disregard certain convictions for specified repealed homosexual offences and, in 2017, automatic pardons were introduced for individuals who had had their convictions disregarded, as well as posthumous pardons for those who had died before the provisions came into force. I am proud to say that, at the start of this year, the Government unveiled plans to expand

those powers so that more veterans could benefit. Amendments to the Police, Crime, Sentencing and Courts Bill will enable individuals who have been convicted of same-sex activity under any offences that have now been repealed or abolished to apply to the Home Secretary to have those convictions disregarded. The scheme is also being extended to all general disciplinary offences that were used to prosecute men and women for same-sex activity.

At the turn of this decade, 20 years after military personnel were allowed to serve as openly lesbian, gay or bisexual, the MOD main building was lit with rainbow colours and both the RAF and the Army were listed among Stonewall's top 100 employers. In February last year, we began returning medals to veterans who had been forced to forfeit them for reasons connected to their sexuality. And, last November, I was proud to see our LGBT+ military and civilian personnel marching with pride in the Remembrance parade. Today we have a thriving LGBT+ network in the MOD, and all serving personnel and veterans can access a range of support mechanisms, from the 24/7 anti-bullying and harassment helpline to the Veterans' Gateway.

The fact that things have changed out of all recognition does not mean we are complacent. On the contrary, reports such as those released by Air Chief Marshal Wigston in 2019 and by the House of Commons Defence Committee last year act as constant reminders to keep doing more to ensure that all armed forces personnel can thrive. That is why the MOD's leadership, from the Secretary of State for Defence down, has been crystal clear in stressing that there is a zero-tolerance policy on unacceptable behaviour or discrimination of any kind within the organisation. Today, all personnel are encouraged to call out such bad behaviour, whether they are a victim or a witness. They will never be penalised for doing so. I also want to reassure the hon. Member that our upcoming veterans' strategy action plan will include further steps designed to address past wrongs.

Today we are looking to build a force fit for the future, but we will not succeed if we exclude parts of our community. Nor can we claim the moral high ground as a proud defender of global freedom, tolerance and justice if we fail to show the same regard for our own people. Yet our desire to make the MOD a more diverse, more inclusive and more welcoming place has less to do with operational imperatives and much more to do with a fundamental respect for human dignity. Every individual, no matter their sexuality, their gender, their colour, their race or their religion, deserves to be treated with consideration. This commitment to diversity and inclusion is one that I take personally and seriously, as the first ever Member of Parliament of British Chinese heritage and the first ever Government Minister of British Chinese heritage to speak at the Dispatch Box.

We should be especially proud of those courageous individuals who are prepared to stand up and, if necessary, lay their lives on the line for their country. Individuals such as these are the best of us—individuals such as Mr Hinchley-Robson. The fact he and others within the LGBT+ community faced discrimination in the not-too-distant past remains a cause of shame and huge regret, but it is now incumbent on us to use this case as a powerful reminder that such shocking incidents must never happen again.

Question put and agreed to.

10.32 pm

House adjourned.

Westminster Hall

Monday 10 January 2022

[Stewart Hosie *in the Chair*]

Police Powers to Suspend Driving Licences

4.30 pm

Stewart Hosie (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. This is in line with current Government guidance and that of the House of Commons Commission. I remind Members that they are advised by the House to have a covid lateral flow test before coming on to the estate. Could Members please give each other and staff space when seated and when entering and leaving the room?

Christina Rees (Neath) (Lab/Co-op): I beg to move,

That this House has considered e-petition 548682, relating to police powers to suspend driving licences.

It is, as always, a pleasure to serve under your chairmanship Mr Hosie. As a member of the Petitions Committee, it is an honour to open the debate. The e-petition is about Tom's law and was created by Christina Worsfold, Tom McConnachie's partner. The petition closed on 25 March 2021 with 104,868 signatures. It states:

"We want police officers to be able to provide a suspension notice from the moment an offender is caught drink, drug or dangerous driving until they appear in court. It would then be for the Judge to decide whether a ban continues or they are able to continue to drive again… With Tom's Law we want police officers to be able to issue a suspension notice to an offender when arrested at the Road side to stop them from driving until they attend court to protect other road users."

I met Christina and Charlotte McConnachie, Tom's mother, who told me of the absolutely tragic circumstances of Tom's death., Charlotte, Christina and Christina's mother, Sandra, are in the Public Gallery this evening. Christina and Charlotte told me that at 3 am on 24 February 2019, Tom, aged 34, was killed in a hit-and-run incident on Budshead Road in Plymouth, Devon, by a drink driver who left Tom fatally injured in the road. The driver continued his journey to Okehampton, approximately 53 miles away, where he set fire to the vehicle to destroy the evidence.

Tom was returning from a night out with friends to celebrate the forthcoming wedding in August 2019 of one of the friends, at which Tom was to be a groomsman. Tom had taken a taxi home in the early hours of the morning and was hit by Lewis Seamen, who was driving a black Kia Rio car, which he had borrowed from a friend in order to pick up this friend's partner. The taxi driver said that he helped Tom—who he described as "happy drunk"—out of his taxi and shook hands with him. When he got back in his car, he saw Tom walking along the nearby pavement. He then saw Tom standing in the middle of the road with his arms raised high. That is when he saw a black car hit Tom. The taxi driver got out of his car to help Tom and called 999.

A witness who was out running along Budshead Road said that he saw a man talking to a taxi driver before the taxi started to pull away. Then, a car travelling at around 30 mph with high revs came from behind the runner and hit the man, who was knocked 10 or 12 feet down the road. The runner stopped to help the injured man. The police officer who gave evidence at the inquest into Tom's death, which was held on 11 February 2021, said that the police reconstruction of the fatal collision showed that the car that hit Tom was travelling at at least 29 mph and that the driver, Mr Seaman, may have been using a mobile phone, although the police officer could not confirm or validate this.

Tom was taken to Derriford Hospital, where tragically he died from serious head injuries shortly after being admitted. Tom was much loved in his community. He was an accomplished footballer and a Liverpool football club supporter. Everyone who had the privilege to meet Tom soon became friends with him.

On 6 January 2020, Mr Seaman pleaded guilty to drink-driving, failing to stop, driving without insurance and perverting the course of justice after a collision, but not guilty to failing to report, because he attended a police station at about 11 am on 24 February 2019, approximately seven hours after Tom had been hit. Mr Seaman was not charged with causing death by dangerous driving or careless driving. In his defence, Mr Seaman said that he had drunk three cans of lager and two single whiskies at about 9 pm on 23 February. He thought he was fit to drive in the early hours of 24 February. Mr Seaman claimed that his view of the road was hampered by fog, but other witnesses at the scene who provided statements that were read out at Tom's inquest said that the view was clear.

On 31 January 2020, in Plymouth Crown court, Mr Seaman was sentenced by Judge Paul Darlow to 10 months' imprisonment and a driving ban of three years and five months, with an extended retest condition. The court heard that a doctor had concluded that the level of alcohol in Seaman's system

"would have been such that it would have impaired his ability to safely drive",

but added:

"It cannot be said that it (the level of alcohol) contributed to Mr McConnachie's death."

Judge Darlow said:

"I can tell you straight off that if there was a suggestion on any sensible and fair basis upon which it could be said the amount of alcohol had contributed in any way, the outcome would have been entirely different."

He said to Mr Seaman:

"The surest thing about this case is that you will have to live with the consequences of your actions and that is something that will not go away when you have served your prison sentence."

Mr Seaman should have served half the sentence. In fact, however, he only served three months and three weeks. Tom's family believe that Tom's life was worth so much more than 10 months, so much more than five months. and so much more than three months and three weeks. Tom's family appealed against the 10-month sentence under the Government's unduly lenient sentence scheme, but a single judge sitting in chambers decided that there were no new grounds to put the case forward to the Court of Appeal to reconsider the sentence.

Tom's family found it extremely distressing and concerning that the offender was allowed to continue to drive from 24 February 2019 until he was eventually banned by a judge at the Crown court hearing 11 months later. They are asking for police to be given powers to suspend a driver's licence when the suspect provides a

[Christina Rees]

positive drink or drugs test over the legal limit until that suspect attends court, when the judge can decide whether the driving ban will continue.

Tom's family told me that it was disclosed at the Crown court hearing that Mr Seaman had previous drink-driving offences. He had been banned for 18 months, which was subsequently reduced to 10 months after he completed a driver awareness course. Tom's family believe that Mr Seaman had not learned from his previous driving ban and that being able to drive is not a human right, but a privilege. If someone abuses that privilege, it should be taken away from day one.

Tom's family told me that many families in the same situation, where an offender has been allowed to drive while an investigation is ongoing, have pledged their support. They have also been contacted by police officers from across the UK who support Tom's law because of the need to protect the public and save lives. Tom's family want laws regarding driving offences to be toughened, and they want zero tolerance. They have worked closely with the Saltern family, who are campaigning for Ryan's law. I had the privilege to open the debate on Ryan's law, on behalf of the Petitions Committee, in this Chamber on 15 November 2021.

Tom's family want to thank all the people who tried to help Tom: the taxi driver, the runner who gave Tom CPR at the scene, the police, the paramedics, and the staff at Derriford Hospital. They extend their sincere gratitude to SCARD, the Support and Care After Road Death and Injury charity.

The Department for Transport produced a UK Government response to the petition on 11 February 2021. It stated that,

"Turning to the suggestion that in certain circumstances a driving ban should be imposed pending investigation and trial, under the Bail Act 1976, the police can impose bail conditions for particular purposes, one of which is to ensure there is no further offence committed while on bail. A driving ban as a condition of police bail may be appropriate for some cases. Decisions on when to use these powers are operational matters for the police, and the rights of a defendant, not yet convicted, and the potential benefits to public safety from reducing the risk of further offences have to be balanced."

I will be grateful if the Minister answers some questions about the current law, and about statistics concerning pre-charge bail and released under investigation—known as RUI. How many alleged suspects have been released on pre-charge bail from all police forces since 2017 for the following periods: up to 28 days; 29 days to three months; three months to six months; six months to 12 months; and over 12 months? How many alleged suspects, released on pre-charge bail for the periods I referred to, have had a driving ban imposed as a condition of that bail? How many alleged suspects have been released on RUI for the periods I referred to? Has RUI been successful in its aim of reducing the number of alleged suspects being released repeatedly on bail? Has RUI been overused by overstretched police forces so that complex cases are shelved because simpler cases have a better prospect of conviction, with the unintended consequence that alleged victims and suspects do not receive regular case updates, and so are left in limbo for months or years?

I hope the Minister has listened this evening to the requests of the petitioner. Will she consider introducing the power for police to immediately suspend a suspect's driving licence in the circumstances set out in Tom's law? Finally, will she meet Christina and Tom's family to discuss the matter further? Tom's family are still seeking justice.

4.44 pm

Johnny Mercer (Plymouth, Moor View) (Con): It is a privilege to speak under your chairmanship, Mr Hosie. I pay tribute to the hon. Member for Neath (Christina Rees) for her clear précis of the case and her clear, direct questions to the Minister, which I want to add to. I will not speak for long, but I want to pick at a couple of key issues in this case that the family want to understand, as would I and any ordinary citizen who sees such a tragedy and the response from law enforcement, the law of the land or, indeed, Parliament to that loss.

We have heard about Tom and what a lovely man he was. I pay tribute to Christina, his partner, and Charlotte, his mother, who have campaigned long and hard in the two years since Tom's death. I also pay tribute to the police and emergency workers involved that night and particularly to Jason Mullard, a police liaison officer for the family who has done an exceptional job.

There are a couple of key points that I want the Minister to explain. Although she might not be able to answer our questions this afternoon—I accept this broaches issues for different Departments, such as the Home Office, Justice and so on—I want to get these answers from Government. If you commit an offence with a firearm—unfortunately we had one of those in Plymouth this year as well—or are involved in a domestic abuse incident, orders can be put in place to preclude contact between the protagonists in the case. If you drive without insurance, your car can be seized, but it seems that if you commit an offence such as the one that we are talking about today, you can be taken in for the night, sober up and get everything come out of your system, then pick up your keys and just carry on driving.

In situations involving domestic violence, which are complicated, terrible events, it is often hard to understand what is really going on, but with the technology we have available now, drink-driving or drug-driving are binary. They are black and white: people either fail a test or they do not. So it is hard to understand how the scenario can present itself wherein police officers operationally decide—we have heard it is an operational decision—that an individual who has abused their privilege of driving can just crack on the following day as though nothing has happened. I have concerns that the family of the individual who has lost their life—in this case Tom—wherever it may be in this country, will see those individuals carrying on as though nothing has happened, waiting for a court appearance. They are not being served by the law, and I totally understand their pain and frustration. Where that is the case, we have a duty, as Government, Ministers and MPs, to represent them and address the problem.

Paul Howell (Sedgefield) (Con): Does my hon. Friend agree that it is not just death caused by driving under the influence of alcohol or drugs that we are talking about here? Careless driving, rather than dangerous driving, with all the subtleties around that, can cause massive injuries. I had a constituent, Thomas Gill, who suffered massive injuries due to a drug-driver, but the nuances in that case were such that the driver ended up with a pathetically light sentence. This issue is important in more cases than those involving death.

Johnny Mercer: I thank my hon. Friend for his intervention, because there is a serious point here. I have heard it anecdotally, speaking to prison officers and others who spend their time in prison, that if is often said, "If you want to kill someone, run them over," because the sentences are such as joke. We have known about that for such a long time in this country that it is hard to understand why it still exists.

Even police officers who have seen Christina's campaigning in this case have said that they need this power. We have been working with the family and Government, with the to-ing and fro-ing that happens in this space, and the Government have said in response that the police have those powers. They may well have them, but when the figures requested by the hon. Member for Neath come out of the Government, we will see that they are hardly ever used, so there is clearly a problem. Either the police do not know about it, or the problem is with their training and understanding that seeing a perpetrator driving round for the next 12 months without any sanction whatever, having seriously injured or killed one of our constituents, is clearly not acceptable, and not only for us as MPs who represent these cases. Imagine being a family member seeing that. We clearly have to address something there.

I reiterate my request that the Minister meets the family. It is so important that these voices are heard. As MPs, we see a lot of injustices and so on, but this one appears particularly egregious. Think about your son or partner losing his life in the way Tom did, with the perpetrator leaving the scene of the accident, admitting perverting the course of justice, drink-driving and so on and going to prison for three and a half months for killing your son or fiancée. That is not right. We all know it is not right, but no one has quite been bold enough to grasp the nettle on this. I commend the Government for increasing sentences from 14 years to life for some crimes, but that needs to be broader. At the moment, there does not seem to be a clear delineation between the damage someone can cause by, for example, knocking off a wing mirror and failing to report it and actually killing a human being. It is pretty basic stuff, but we do not often see it until it is clearly painted by seeing one of the families, as we have here today.

What do I want on behalf of the family? I want the Government to take this issue seriously and really address that core point. Leaving the scene of an accident is not a normal reaction. In other instances, such as an athlete failing to take a drugs test, it will be pretty obvious why they have done that. We need to make the sanction for leaving the scene of an accident as bad as being done for the crime, so that people are actually honest and victims can actually get some sort of justice.

Ultimately, we are all accountable, and police officers are public servants too, and I am a huge fan of them, but where operational decisions cause this much pain and injustices of this scale, we have to intervene and ask what is going on with these sentencing provisions. A person can essentially kill someone, using a car as a weapon, leave the scene drunk or high on drugs, go and hide and then hand themselves in the next day and get away with three and a half months in prison. That is extraordinary. It reflects really poorly on all of us. Crucially, think about if that happened to your son, partner or fiancé. You would be absolutely livid if that was the price that we, as legislators, or the House of Commons or the police put on your son's or fiancé's life.

I urge the Minister to think about those things in her response. I reiterate the request that she meet the family. We will continue with this campaign. If someone fails a binary drugs or drink test at a roadside with calibrated equipment and is therefore clearly not fit to drive, they have not taken their privilege of driving responsibly enough, and I can honestly see no clear reason why they should not therefore lose their licence. If the judge decides afterwards to give it back, fine, but there should be some sort of mandate whereby someone loses that privilege—it is a privilege, not a right—to drive if they are caught over the limit for drink or drugs. That is a very low bar for a Government that is committed to victims and to upholding the rule of law to achieve.

4.53 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Hosie. I thank my hon. Friend the Member for Neath (Christina Rees) for the way she introduced the debate and so clearly put the case, on behalf of the petitioners, that change here is necessary. It is also good to follow my constituency neighbour, the hon. Member for Plymouth, Moor View (Johnny Mercer). Due to our various appointments over the past few years, we have not been in many debates together. I hope this will be the start of our coming together on Plymouth issues, which this indeed is.

We remember Tom in this debate. He is remembered not only by the family but by the 100,000 people who signed the petition, including the 1,162 people who signed the petition from Plymouth, Sutton and Devonport. I also pay tribute to Christina, Tom's fiancée, and Charlotte, Tom's mum, for the way they have run this campaign. They have spoken with dignity, compassion and clarity about what changes they would like to see.

Paul Howell: I understand how important this particular issue is for Plymouth, which is the focus today. In my constituency, well over 200 people supported this petition, and it is more than just a Plymouth issue. It is so important, and I thank people who have brought this petition for debate today.

Luke Pollard: I thank the hon. Member for his intervention. He underlines the fact that, when a petition reaches 100,000 signatures, that does not happen by accident. It happens because there is an issue of concern. It normally happens because there is a campaign and passionate people behind it. The fact that we have signatures from all over the United Kingdom speaks volumes for the case that the family are making.

I do not intend to repeat everything that my hon. Friend the Member for Neath and the hon. Member for Plymouth, Moor View have said, but I will raise a number of aspects to highlight my concerns to the Minister. The rather brilliant Library brief that was put together for this debate put a stress on bail conditions. It is true that if someone is arrested for drink or drug-driving, bail conditions can be applied to the individual to ensure that they cannot drive. The difficulty in this case and many other cases is that bail conditions are not being applied to those individuals, because those individuals are released under investigation.

I have significant concerns about RUI and the effect that it has, not only in parking many crimes, but in not giving victims and their families justice or updates. It

[Luke Pollard]

elongates the process. We know that there is a crisis in our courts, and our police are stretched, so RUI does give them with the ability to provide longer periods for investigation. That is certainly true, but justice delayed is justice denied. My fear about the increased use of released under investigation, especially in cases of drug and drink-driving, is that it is not giving the police and the authorities the pressure to deliver swifter prosecutions, nor is it delivering the important justice for the families to see someone charged for their crime and that crime brought forward to a court.

Johnny Mercer: I think the police would say that they have a certain period of time in which they can hold people, pre-charge, on bail, and that is why they use RUI. When it comes to the issue of drink and drug-driving, the technology is now so good that someone will have a test on the roadside and it will be clear whether they have failed. It is not like investigating an assault or something where there are two sides to the story. It is black and white, and there is no real reason why a bail condition cannot be imposed that someone is not allowed to drive, having abused that privilege by being caught drink-driving.

Luke Pollard: The hon. Member raises a good point. One of the difficulties the Minister has in replying to this debate is that, as a Transport Minister, she will only be able to speak on behalf of the Department for Transport. However, this issue stretches across the Home Office and the Ministry of Justice. The 11 months that Tom's family had to wait for justice is far too long. That is because of pressures on the court service and the police. As much as I would love to put the responsibility on the Minister herself, it is the responsibility of other Departments. We need to see a joined-up approach to make this work.

Release under investigation is a particular problem that is delaying justice. It is delaying justice in cases like this and in many others. That is why the police and the authorities can attach those bail conditions to individuals. If someone is released under investigation for something that happens many times in the future, there are no such bail conditions attached to a release under investigation status. Therefore, the provisions that exist in law, quite correctly, to limit the behaviour of an individual—in this case, probably to ensure that another crime is not committed in that way—do not apply.

From my interpretation, that is effectively why Tom's law is seeking to backfill and repair some of the legal fabric that has been changed by release under investigation. If the suspect in this case were bailed, I suspect those bail conditions would have been attached. That is one of the difficulties we have in this case. I hope that the Minister will agree to meet the family to discuss this, but I would also be grateful if she would put in a good case for a meeting with the Home Office and the Ministry of Justice. I think there is a cross-Government approach that needs to be adopted here.

I mentioned the short sentence. I, too, welcome the increase in the tariff in the sentencing for those people who kill via drink-driving from 14 years to life. However, that did not apply in this case, and I think it is entirely legitimate for any family who have been robbed of the life of their loved one to look at the sentence that has been afforded and say, "Three months and three weeks is not justice." I have sympathy with the family for the way in which they seek to pursue that aim through the courts, and now through politics as well. My hon. Friend the Member for Neath mentioned one of the remarks of the judge in this case: that "the surest thing" was that the offender would have to live with the consequences. No, the surest thing is that the family will have to live with the consequences for much longer, and with a much deeper sense of pain and loss, than the offender. That is why there is a real difficulty in relation to this issue.

My hon. Friend echoed the words of the family: driving is a privilege, not a right. One of the questions that we must ask ourselves in this place is, "To what extent does that privilege apply where a vehicle has been used to either kill or maim someone and the driver has been under the influence of drugs or alcohol?" At that point, it is reasonable for us as Parliament to take a view as to whether there should be a legal ability to prevent that person from driving. Indeed, to a certain extent, we have already taken that view: long before I or my neighbour, the hon. Member for Plymouth, Moor View, was in this place, Parliament passed legislation that put bail conditions on those individuals. There is precedent here, but that view has not been applied to release under investigation in the same way, so there is a sound argument for looking at whether RUI has changed the social contract—the deal—between the state and victims as to what applies in the event of someone being maimed or seriously hurt when a driver has been under the influence of drugs or alcohol. It is important to look at that issue.

The challenge in this debate is not only how we can remember Tom, and give the family who have campaigned so thoroughly, professionally and compassionately in his memory the justice that the courts, through the low-bar sentencing, did not deliver. The challenge is also how we can we prevent this from happening in future. The responsibility and obligation that falls on parliamentarians is to ensure that no other family goes through what Tom's family have gone through. The hon. Member for Plymouth, Moor View has been pursuing that aim with the family for some time, and I act as his assistant in this respect to support the measures he has taken.

I would, however, like to add some words of caution. I am concerned that if we give extra responsibilities to the police or the courts system without adequately resourcing them, justice could be further delayed. If steps are to be taken, I would like them to be accompanied by the proper resources, to ensure that doing so does not elongate the process in relation to any cases and that we continue to reinforce the primacy of the courts in this matter. The ability of the police themselves to deliver restrictions on the kerbside or from the point of charge should always be tempered by the ability of a court to judge the person involved. Drink and drug-driving is one of those offences that is peculiar among cases in the criminal justice system, in that the courts see people from every single walk of life. It is important that when applications are put in, everyone can have justice when their cases are heard, but most importantly, that the victims and their families in those cases can have justice at the same time.

I would be grateful if the Minister could look at some of those aspects of this issue. I appreciate that, as a Minister in the Department for Transport, many of the aspects I have raised are not her responsibility. However, there is a need to join up with the Home Office and the Ministry of Justice to ensure that the right questions are being asked of the competent Departments in relation to this issue, so that Tom's family can truly have justice and the likelihood of something like this happening again can be reduced.

5.4 pm

Sam Tarry (Ilford South) (Lab): It is a pleasure to serve under your chairmanship for the first time, Mr Hosie. I thank my hon. Friend the Member for Neath (Christina Rees) for having secured this debate on behalf of over 100,000 petitioners, and for the time she has spent with Tom McConnachie's family, working with them to get to this point. I also thank the hon. Member for Plymouth, Moor View (Johnny Mercer) for his very logical and clear demand that action be taken, showing how simple it could be to make a huge difference. I thank my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard), who spoke so passionately and raised a number of serious questions that need to be answered, and the hon. Member for Sedgefield (Paul Howell) for making sure we all realise that this debate affects every corner of the British Isles.

Following the touching and heartfelt contributions from Members across the House, no one can doubt how loved and admired Tom McConnachie was by his family and friends. I am glad that they are able to be here today to hear legislators in the House of Commons take this issue seriously, as he and his legacy deserve. The manner of his death is a tragedy beyond words: a young man, happily returning from a night out—a groomsman's fitting ahead of a friend's wedding—struck and killed by a drunk driver. I have read what his mother, Charlotte, has so powerfully said about the immense pain caused by his loss, and how she, along with Tom's partner, Christina, is now living her own life sentence.

Drink, drug and dangerous driving destroys lives—it is as simple as that. Last year, 230 people shockingly lost their lives in drink-driving accidents, destroying the lives of hundreds of families forever. For many, the sentences handed down to offenders seem not to reflect the devastation caused by these crimes. The families' grief in these cases is immeasurable, and seeing their relatives' killers escape with limited sentences simply adds to that anger and grief.

We need a justice system that recognises the life sentences given to families who lose loved ones. That is why Labour—in particular my hon. Friends the Members for Barnsley East (Stephanie Peacock) and for Barnsley Central (Dan Jarvis), who could not be here today—and other Members in the House, such as the right hon. Member for Maidenhead (Mrs May), have fought a long campaign to extend the maximum sentence to reflect properly the seriousness of the crime.

The urgent need for this change is illustrated by the fact that, in 2019, more than 150 people were sentenced for causing death by dangerous driving. Some 95% of those offenders received an immediate custodial sentence, of whom more than 15 received a sentence in excess of 10 years—that is only 10% of offenders already being sentenced near the maximum threshold. It would appear that the time is ripe to provide the courts with increased sentencing powers for these offences, so that offenders are dealt with consistently and fairly.

It is right that the courts are given a wider range of penalties to ensure that sentences are proportionate and reflect the seriousness of the offence. It is clearly time for action. No more families should have to come to the House of Commons to hear legislators not taking action when, as we have heard, there are so many logical things that can be done to make people's lives safer, such as simply removing an offender's licence, which should be taken away after the crime.

Turning to the suggestion that, in certain circumstances, a driving ban would be imposed pending investigation and trial, I commend the campaign for Tom's law and all those who signed the petition that we are debating. The excellent House of Commons Library briefing notes that at present

"the police can impose bail conditions for particular purposes, one of which is to ensure there is no further offence committed while on bail. A driving ban as a condition of police bail may be appropriate for some cases."

However, due to the lack of available statistics, we simply do not know in how many instances that has been used to suspend a licence while someone is awaiting a trial, or whether police forces are making use of these powers, or even regularly considering them. We only know from an answer to a parliamentary question from 2015 that the power is rarely used.

However, there are clear potential benefits to public safety from reducing the risk of further offences. We know that drink-drinking tests have a high degree of accuracy, so there is a compelling case to be made for the precautionary powers made available to the police to be much clearer.

Last year, a former Transport Minister said that the Department was closely exploring options that could be pursued in this area. Can the Minister update us on those conclusions? Will the Department consider a broader power for police to revoke licences, as happens when a driver fails an eyesight test at the side of a road, as has been said by the hon. Member for Plymouth, Moor View? Given that bail conditions are rarely used, is the Department working with the Home Office to ensure that police forces are made better aware of their ability to revoke a licence as part of the bail conditions for someone awaiting trial? If police forces are more aware, perhaps that option could be used more often and more effectively.

It seems sensible that, by working with the National Police Chiefs Council, a new, thorough review could swiftly establish how often these powers are being used and whether guidance for police bail could be updated. Is that also something that the Transport Minister would be willing to consider? The tragic case of Tom McConnachie and the evidence that powers to revoke licences are poorly understood and rarely used demonstrate that the status quo is continually failing to protect the public. I urge the Minister to consider the calls across the House to act swiftly to protect the public from the scourge of drink driving, drug driving and dangerous driving.

5.10 pm

The Parliamentary Under-Secretary of State for Transport (Trudy Harrison): It is a pleasure to serve under your chairmanship, Mr Hosie. I am particularly grateful to

[Trudy Harrison]

the hon. Member for Neath (Christina Rees) for the way in which she opened this debate on e-petitions relating to police powers to suspend driving licences. Those petitions raise specific concerns about allowing drivers who are suspected of committing road traffic offences to continue driving.

I also put on the record my gratitude to my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer) for his effective and convincing portrayal of the situation and for his work with Tom's family. Likewise, I thank my hon. Friend the Member for Sedgefield (Paul Howell) for noting that although Plymouth has been well covered in the debate, the issue affects the whole country. I thank all Members for the way in which they have contributed to the debate.

I reassure Members that the Government take road safety seriously; it is at the core of the agenda of the Department for Transport. Any death or serious injury is, of course, an absolute tragedy, and our deepest condolences go to Tom's family, who are here today. My ministerial colleague with responsibility for roads, Minster Baroness Vere of Norbiton, has met the families of victims of similar incidents, and is aware of the devastating effect on the families involved. I am not the roads Minister, but I can confirm that Baroness Vere is willing to meet Tom's family. I understand the tragic circumstances surrounding Tom's death, and I extend my sympathy to all.

I recognise the concerns that in some cases the police should be able to issue a suspension notice with effect from the moment an offender is arrested at the roadside until they appear in court. Although we must do all we can to improve the safety of our roads, we must not, in an attempt to resolve perceived problems with the way in which the law operates, make a decision that could ultimately make things worse or have other unforeseen effects.

Let me turn to the current offence of failure to stop and report, and the calls for the suspension of driving licences. Currently, under the Police and Criminal Evidence Act 1984, the police can impose bail conditions for particular purposes, as was mentioned earlier. One of those conditions is that no further offences are committed by the suspect while on bail. I asked the very question that the hon. Member for Neath raised, but I was unable to get the answers that she wants, so I will endeavour to write to her with that information. That might not be possible, because the information may not be collected in the first place, but I understand the need for more information, which it might be possible to seek through the courts. I assure Members that we will work with the Home Office and the Ministry of Justice.

The criminal courts also have the power to impose an interim driving disqualification before sentencing in a case involving discretionary or obligatory disqualification from driving, or when transferring such a case to another court. I want to make it clear, however, that the Government do not dismiss at all the concerns that have been raised. We are, of course, aware of the traumatic effects of such incidents.

I am sure that right hon. and hon. Members appreciate that this is a complex issue that should fit within the current driving offences framework. Department for Transport officials have been exploring options that could be pursued, and they will consider with interest the points that have been raised in the debate as part of their consideration of road traffic matters. In respect of any potential law changes for road traffic offences, we will consider the triangulation of interests—those of the victim, the suspect and society. A call for evidence will enable issues to be fully explored, so as a next step, the Department will conduct a call for evidence on parts of the Road Traffic Act 1988. While details on its scope are being worked on, I am sure close attention is being paid to the points raised and to the campaign for Tom's law.

Johnny Mercer: I appreciate the Minister's response. She said that her officials will look at this debate and build it into a consultation. Will she ask her officials to write to me, as the constituents' MP, with a reflection on today's debate? The points raised are clear. I do not know if she has a reason, but there appears to be no clear reason why, with the technology available today, if someone fails a drink and drive test by the roadside, they should retain their licence. I would be interested to hear the Department's position on that.

Trudy Harrison: I will endeavour to do just that. I will ensure that we write to my hon. Friend with that information as far as we can.

Most of all, I would like to thank Christina, Charlotte and Sandra for their bravery and courage campaigning for Tom's law, and for being present for this debate. I expect the issue of police powers in serious road crime to form part of the call for evidence.

Luke Pollard: It is welcome news that the Minister's Department is looking into this matter. I think she made a commitment for a consultation, and it is welcome that it will be included. Her officials may say that the suspension of a driving licence should be a Home Office matter, but in her Department, would she look at penalty points notices? As it stands, someone who causes death by careless driving with alcohol and drugs above the limit can be subject to three to 11 points on their licence, and over that their licence is removed. The option of suspended penalty points means they can be applied to the licence in the period before conviction, which is another means of achieving what Tom's law seeks to do. That is not necessarily a licence suspension, but an application, albeit temporary until a court process, of penalty notices or penalty point endorsements.

Trudy Harrison: I thank hon. Gentleman for making those points. He will understand that I am not the roads Minister, and I am responding on the behalf of the roads Minister, Baroness Vere of Norbiton. Officials in the Department will be listening closely to what he says and will endeavour to take that into account. He is correct to mention a consultation; a call for evidence will be taken forward.

Christina Rees: I thank the Minister for her magnanimous delivery, which is very measured. However, I have trouble with three things. First, if someone is released under investigation is that under guidance rather than under statute? Secondly, she referred to the data for which I asked—is that because it is not collected nationally, or because separate police forces do not have the IT or the staff to do it? Thirdly, I have a problem with RUI as opposed to police bail. The Minister must be aware of

the tragic case of Kay Richardson, who was murdered by her estranged husband after he was released under investigation. He had previous domestic abuse convictions, but bail conditions might have protected her.

Trudy Harrison: I am afraid I cannot answer the wider questions on RUI. When I asked for the information, I was led to understand that it was not collected, which is why I am seeking further information through the courts system. We will get that information and I will endeavour to respond to the hon. Lady on those specific requests as soon as I can.

I thank hon. Members again for raising this important issue and for the campaign for Tom's law.

5.19 pm

Christina Rees: I thank Members for their contributions, and give special thanks to the two Plymouth MPs who represent Christina and Tom's families and have served them well in this debate: my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) and the hon. Member for Plymouth, Moor View (Johnny Mercer). Most of all, I thank Christina and Tom's family for campaigning for Tom's law, so that other families will not have to suffer the grief and injustice that they have gone through for nearly three years.

When I met Christina, Charlotte and Sandra this afternoon, Christina reminded me that on 24 February this year it will be the third anniversary of Tom's tragic death. They are still suffering. On behalf of Christina, Charlotte and Sandra, I thank the Minister for confirming that Baroness Vere will meet with them. I look forward to receiving in writing the statistics that I asked for. Thank you.

Question put and agreed to.

Resolved,

That this House has considered e-petition 548682, relating to police powers to suspend driving licences.

5.21 pm

Sitting adjourned.

Petition

Monday 10 January 2022

OBSERVATIONS

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Ocado Zoom

The petition of residents of the constituency of Ealing Central and Acton.

Declares that Ocado has not followed through on its promise to cease the use of third-party employment and transfer the workforce from 4 October 2021; further that the majority of deliveries are currently carried out by the third-party agency "Job and Talent"; further that Ocado Zoom offers no flexibility despite promises to provide fully-flexible contracts; notes that Ocado Zoom's business has deteriorated because of the failure to implement the transfer of workers; and notes that Ocado Zoom continues to engage in exploitative practices and anti-trade union behaviour as they continue to prioritise profit over the working conditions of its staff.

The petitioners therefore request that the House of Commons urge the Government to consider the concerns of the petitioners and take immediate action to ensure that Ocado engage with delivery drivers' chosen trade union, the Independent Workers' Union of Great Britain (IWGB), in order to resolve the current dispute; further that the Government should press Ocado Zoom to avoid further job losses of key workers.

And the petitioners remain, etc.—*[Official Report,* 9 November 2021; Vol. 703, c. 288 *.]*

[P002697]

Observations from The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully):

The Government recognise the critical role that supermarket delivery drivers play in our society and economy. In particular we are grateful for the work they have done to ensure that deliveries of essentials continued during the pandemic.

It is our expectation that employers should always treat employees fairly and in a spirit of partnership.

The Government encourage employers to talk to workers and their representatives to resolve disputes as industrial action should be a last resort. Collective bargaining is largely a matter for individual employers, their employees and their trade unions. The Government therefore believe that they should not intervene in any negotiations or be seen to take sides in any dispute or disagreement. However, ACAS (the Advisory, Conciliation and Arbitration Service) stands ready to assist the parties to resolve their dispute, should they wish it. ACAS does an excellent job in helping parties resolve their differences, and the Government encourage the parties to consider using its services wherever possible.

The Government recognise that it is important that individuals have transparent information about their employment relationship. Workers and employees have a statutory right to receive a written statement setting out the main particulars of their employment, which should include the main expectations involved with the role. The Government believe that it is right that terms and conditions of employment are for negotiation and agreement between employers and employees (or their representatives). However, should employers need to make changes to terms and conditions, they must seek to reach an agreement with their employees or their representatives. The Government encourage individuals who are concerned that their terms of employment have been changed, or that their contract has not been honoured, to seek advice from ACAS.

The Government are also committed to bringing forward an Employment Bill to protect and enhance worker's rights as we build back better from the pandemic. Through this legislation, we are determined to build a high skilled, high productivity, high wage economy that delivers on our ambition to make the UK the best place in the world to work and grow a business. As we build back better, we will bring forward measures to establish an employment framework which is fit for purpose and keeps pace with the needs of modern workplaces.

These measures will encourage flexible working, protect vulnerable workers, take a smarter approach to enforcement of employment law, and build on the strengths of our flexible labour market to support jobs.

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