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22 February 2022**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 22 February 2022

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

COMMITTEE OF SELECTION

Ordered,

That Stuart Andrew be discharged from the Committee of Selection and Christopher Pincher be added.—(*Michael Tomlinson.*)

Oral Answers to Questions

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

The Secretary of State was asked—

Energy Sector Jobs

1. **Christian Matheson** (City of Chester) (Lab): What steps his Department is taking to help protect jobs in the energy sector. [905665]

The Secretary of State for Business, Energy and Industrial Strategy (Kwasi Kwarteng): The Government are committed to protecting jobs across the energy sector, which already employs over 700,000 people across the UK and is creating thousands of new jobs through our net-zero strategy.

Christian Matheson: I refer to my entry in the Register of Members' Financial Interests as a member of Unite the union, which tells me that OVO Energy has a tangled web of companies into which £40 million has been salted away without any clear indication of what the money is or where it is coming from. Meanwhile, it is making 1,700 of its employees—a quarter of its workforce—redundant and its boss Stephen Fitzpatrick has said that they should keep warm by doing star jumps and that he is doing them a favour by sacking them because of the jobs market. Does the Secretary of State agree that it is about time that OVO stopped threatening to sack so many of its employees and opened up its books so that we can see where all the money is going?

Kwasi Kwarteng: I agree with the hon. Gentleman. I speak to the operators of energy suppliers the whole time, as does my right hon. Friend the Minister for Energy, Clean Growth and Climate Change, and we have had many concerns about the practices of some of these businesses and are very mindful of some of the accusations being made against OVO. I speak to Mr Fitzpatrick on a regular basis and I will absolutely pass on the hon. Gentleman's concerns to Mr Fitzpatrick directly.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): The other day I noticed that the Government said they were going to help and encourage people to invest more in the gas industry and help to produce more, but then I heard a statement contradicting that from my right hon. Friend's Department. Will my right hon. Friend clarify whether the Government are prepared to see more gas extracted and greater licences?

Kwasi Kwarteng: I and my right hon. Friend the Minister for Energy, Clean Growth and Climate Change have been very clear about the course we want to pursue. We do not believe it is the right thing simply to switch off the oil and gas sector. Unlike many Opposition Members, we do not believe in simply an extinction of the oil and gas sector; we think oil and gas is critical not only to energy resilience but to developing new technologies such as carbon capture and blue hydrogen production. We have maintained that position consistently for the nearly three years I have been a Minister in this Department.

Stephen Flynn (Aberdeen South) (SNP): We have to admire the audacity of the Secretary of State in talking about protecting jobs in the energy industry when of course his Government have presided over the loss of some 35,000 jobs in Scotland's North sea industry over recent years alone. It gets worse, because this is the same Government who opted not to fund carbon capture and underground storage in the north-east of Scotland, costing some 20,000 new jobs. Can the Secretary of State clarify why on earth the public should trust the Tories when it comes to jobs?

Kwasi Kwarteng: I will make three points about that. Acorn was an excellent project, and we want to see it developed very soon in the next wave, which we want to accelerate. There is an extraordinary arrogance in Members of the Scottish National party giving us lectures about energy when they are not committed to nuclear and are in bed with the Greens who simply want to flick the switch to turn off oil and gas in their own country. I am very happy to compare our record as job creators with the hon. Gentleman's Extinction Rebellion approach to the North sea.

Stephen Flynn: I am afraid the Secretary of State does his reputation no good whatsoever by propagating such unfounded garbage. If he wants to talk about records, let us talk about records, because despite energy being reserved to this place, it is the Scottish Government who have delivered the £62 million energy transition fund; it is the Scottish Government who have just delivered £30 million to Aberdeen South harbour; it is the Scottish Government who have just delivered £15 million to the Aberdeen hydrogen hub; and of course it is the Scottish Government who have just delivered a £500 million just transition fund for the entire north-east of Scotland. After taking out some £375 billion from Scotland's natural resources, when are the Tories going to give back?

Kwasi Kwarteng: I am not going to take any lectures from the hon. Gentleman about energy policy. His party is committed to a job-destroying coalition with the Greens, who want to switch the lights off the North sea. Everybody knows that; that is why investment is very difficult to attract, and our job is to militate against their Extinction Rebellion approach and encourage

investment, as my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) said, in our North sea.

Mark Pawsey (Rugby) (Con): Jobs in the energy sector depend on an effective market, and that depends on consumers exercising their choice to change supplier, but switching fell by 73% in the year just gone compared with the previous year. What steps is the Secretary of State taking to ensure that we get back to an effective energy market?

Kwasi Kwarteng: There has been a critical issue with very high wholesale prices, which as I speak are about 200p a therm, whereas at the beginning of last year they were 50p a therm or lower; there has been a quadrupling of the price. The energy price cap has protected consumers, but we are talking to Ofgem all the time about how we can refine the cap to make it more sensitive to wholesale prices in the market.

Caroline Lucas (Brighton, Pavilion) (Green): Today marks the start of International Energy Week, formerly International Petroleum Week. The Secretary of State was billed to open the event, and he will know that, despite the rebrand, the lead sponsors include fossil fuel giant BP, which is investing just 2.3% of annual capital expenditure into the jobs-rich green energy sector. When will the Government end their cosy relationship with the fossil fuel dinosaurs and replace the outdated duty to maximise economic recovery with a duty to minimise the extraction of North sea oil and gas and to maximise clean, green jobs instead?

Kwasi Kwarteng: The hon. Lady will know that we have committed to the “Net Zero Strategy”, which was lauded across the world as a world-beating document. She also knows that, as I have said repeatedly and my right hon. Friend the Minister for Energy, Clean Growth and Climate Change has also said, we are committed to a transition, not extinction. We have to work with fossil fuel companies and the industry to transition to a net zero future, and that is exactly what we are prepared to do.

Science and Innovation: Levelling Up

2. **Aaron Bell (Newcastle-under-Lyme) (Con):** What steps he is taking to support the growth of science and innovation through the Government’s levelling-up agenda. [905666]

12. **Nick Fletcher (Don Valley) (Con):** What steps he is taking to support the growth of science and innovation through the Government’s levelling-up agenda. [905677]

16. **Robin Millar (Aberconwy) (Con):** What steps he is taking to support the growth of science and innovation through the Government’s levelling-up agenda. [905681]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (George Freeman): As part of our step-change increase in investment in science research an innovation—an increase of 30% over the next three years to £20 billion a year—we are putting levelling up at the heart of our investment through clusters around the country. That is why we are putting £200 million into the strength in places fund for 12 projects across the UK; making the groundbreaking pledge that 55% of BEIS funding will go outside the greater south-east;

launching three innovation accelerators in Glasgow, Manchester and the west midlands; and extending eight freeports, with two in Scotland.

Aaron Bell: I thank the Minister for his answer. In Newcastle-under-Lyme, Keele University plays a substantial role in levelling up north Staffordshire through its work with local authorities and its Keele deals addressing economy, health, culture and social inclusion. There is also the enterprise zone, including the science and innovation park, which provides a home and support mechanism for more than 50 companies, with more to come. Will the Minister confirm that universities’ role in such work will be supported as part of our levelling-up agenda, as we get more money spent outside the south-east?

George Freeman: My hon. Friend makes an excellent point. I pay tribute to his work and that of Keele. The enterprise zone is first class—similarly, the work of Keele University. I confirm that we are taking into account the very important role of universities in innovation and levelling up. He will see that reflected in the allocation of £40 billion to UK Research and Innovation and Innovate UK in the next three years.

Nick Fletcher: The advanced manufacturing research centre at Sheffield University would like to open an innovation facility at Doncaster Sheffield airport, which may bring the likes of Boeing and hybrid air vehicles to Doncaster. It needs just £24 million to do that. I have met the Minister on the subject before. Will he come to Doncaster and meet all the stakeholders to see if we can get the project moving forward and let the real levelling up begin?

George Freeman: I pay tribute to my hon. Friend, because this is the third time that he has raised this matter with me. He makes an important point. The Boeing interest in Doncaster Sheffield airport is part of our plan to grow an aerospace cluster around the whole of the UK. I very much welcome the opportunity to visit him and meet Boeing and local stakeholders.

Robin Millar: Last September, Llandudno in Aberconwy was identified as having the fastest economic recovery in the UK and, last week, an analysis of Companies House filings identified it as the start-up capital of the UK. I pay tribute to the entrepreneurs and businesses for making that happen. Will my hon. Friend the Minister join me in Llandudno with some of those entrepreneurs to see how we can nurture those green shoots, secure the growth and turn Llandudno into a growth and enterprise hub for north Wales?

George Freeman: With pleasure. My hon. Friend makes an important point: the Welsh dragon is roaring not just on the rugby pitch and in tourism, where Llandudno is the queen of Welsh resorts, but in the science, research and innovation economy. With the north Wales energy corridor, the south Wales life sciences cluster and plant health at Aberystwyth, Wales is a science and innovation engine that we intend to support. I pay tribute to his work in the area and look forward to visiting the Llandudno cluster as part of our work on supporting clusters around the UK.

Tim Farron (Westmorland and Lonsdale) (LD): The Minister may be aware that many rural parts of the north feel that levelling up does not really apply to

them, but of course it must and it should. The Minister may be aware of Cumbria's energy coast. We are a country with plenty of wind, plenty of water and plenty of coast. We should bear in mind that, after Canada, the UK has the second largest tidal range on planet earth and we are making use of nearly none of it. Will he commit to making sure there is a tidal, marine and hydro-energy hub in Cumbria, based in Kendal where Gilkes is so wonderfully based?

George Freeman: I absolutely agree. As a rural MP, I do not need to take any lectures from the Liberal Democrats on the importance of rural innovation. I will address the specific point about tidal power: we have just put £30 million into it. It would be good hear the hon. Gentleman—and his party—applaud the nuclear industry, which is an important part of that region.

Jim Shannon (Strangford) (DUP): I thank the Minister for his answers. With reference to university places for those from low-income backgrounds, will he consider greater financial aid for STEM subjects—science, technology, engineering and maths—for students from any part of the United Kingdom of Great Britain and Northern Ireland to find their passion and long-term career?

George Freeman: The hon. Member makes a really important point that is at the heart of our £100 million innovation accelerator pilot programme. We have chosen the locations—Glasgow, Manchester and the west midlands—for the initial tranche, because we want to invest in places where there is strong world-class research and development and innovation cheek by jowl with lamentable deprivation. I very much hope that over the next few years we can extend it out to areas, including parts of Northern Ireland, where that similar pattern of excellence alongside deprivation is sadly still present.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Levelling up, really? The Campaign for Science and Engineering has shown that the proposals in the White Paper simply freeze the current proportion of regional science spend, with the golden triangle of Oxford, Cambridge and London continuing to receive the majority of public sector science spend. When it comes to private sector science spend, London's share has actually doubled under Conservative Governments, because they will not give our towns and cities the powers and investment they need to build strong science economies. Will the Minister say whether the proportion of public science spend going to the regions will actually increase as a consequence of the levelling-up White Paper, or is this just more broken promises from the department for funny numbers?

George Freeman: I suggest the hon. Lady reads the levelling-up White Paper. If she reads it, she will see that it is a very substantial document that deals with precisely the points she has just made. *[Interruption.]* I will deal with the specific question she asked about devolution and extending investment around the country. That is why we have made a pledge—a pledge that the Labour party never made, by the way—to increase R&D spending outside the greater south-east. Our Department, the Department for Business, Energy and Industrial Strategy, which is responsible for 75% of R&D, will move to

being 55% outside the south-east. The point she misses is that we do not level up this country by destroying the golden triangle; we level up by building the clusters, moving from a discovery economy to a development economy. As a Member for the north-east, I thought she would be applauding the phenomenal growth in the north-east as a result of our policies.

Jake Berry (Rossendale and Darwen) (Con): Obviously, I welcome the targets to increase investment through levelling up in our regions, but the thing that really matters is not what the Government say in White Papers, but how the money gets to those businesses, particularly in Rossendale, Darwen and east Lancashire more widely. Will the Minister commit to publishing an easy guide for local businesses to work out how, through their innovation and their own R&D, they can access some of that new funding? Trash-talking levelling up by those on the Opposition Benches does not go down well in east Lancashire or anywhere in the north, because we believe in this programme.

George Freeman: My right hon. Friend makes a really important point. It was surprising to hear the Opposition not mention the phenomenal investment that is pouring in. In the end, levelling up will be achieved by the businesses of this country investing in partnership with us. I welcome the Bentley £2.5 billion investment and the Aston Martin investment in Wales. That is happening right now. My right hon. Friend's point is well made. As part of our significant increase in Innovate UK funding, we are looking at how we can ensure small businesses find it easier to access grant funding. We are dramatically increasing Innovate UK funding. The key test will be whether small businesses around the country can access it.

Climate Change

3. **Liz Twist** (Blaydon) (Lab): What discussions he has had with Cabinet colleagues on cross-departmental co-ordination on tackling climate change. [905667]

The Minister for Energy, Clean Growth and Climate Change (**Greg Hands**): Delivering our landmark net zero strategy is well co-ordinated across Government. The Prime Minister chairs the Climate Action Strategy Committee, which, along with the Climate Action Implementation Committee, provide two ministerial forums to drive co-ordinated action across Government.

Liz Twist: The UK's credibility as COP President over the next year rests on demonstrable climate action at home, but the Government's net zero strategy has been torpedoed by the Treasury. Without the scale of investment needed to support households and industry, the Government cannot guarantee that they would put us on track for their 2030 or 2035 targets. Labour would invest £28 billion every year until 2030. What representations is the Minister making to the Treasury to get us back on track to meet our targets and deliver the benefits of a green transition?

Greg Hands: I thank the hon. Lady for her question and for her engagement on this, but the basis of her question is not quite right. Actually, BEIS had more capital uplift in the spending review than, I believe, any

other Department. We have doubled the amount of money going into international climate finance. My right hon. Friend the COP26 President is working tirelessly to show UK leadership in this space. In the time that we have had the presidency, the amount of the world's GDP covered by net zero commitments has increased from 30% to more than 90%.

Hydrogen Sector

4. **Jane Hunt** (Loughborough) (Con): What steps he is taking to support the growth of the hydrogen sector in the UK. [905668]

21. **Tim Loughton** (East Worthing and Shoreham) (Con): What steps he is taking to support the growth of the hydrogen sector in the UK [905686]

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): We are delivering on the hydrogen strategy that was published last August and will soon launch our £240 million net zero hydrogen fund and the first £100 million allocation round for electrolytic hydrogen projects and publish our sector development action plan.

Jane Hunt: Intelligent Energy in Loughborough is keen to build a hydrogen fuel cell gigafactory, hopefully in the east midlands freeport. How will my right hon. Friend help to promote hydrogen fuel cell technology and production in the UK so that we can lead the world in that technology, harness green jobs and growth and avoid having to play catch-up?

Greg Hands: I thank my hon. Friend; it is always brilliant to get a question about that great hub of innovation and science in Loughborough, and it is brilliant to hear about Intelligent Energy's plans to build a hydrogen fuel cell gigafactory in the east midlands. That is the kind of investment that will support highly skilled jobs in the UK's nascent hydrogen economy and the Government's levelling-up agenda. The Government provide support for fuel cells through various funds, including the Advanced Propulsion Centre and the automotive transformation fund, which have already committed over £38 million to 16 projects with a total value of almost £85 million.

Mr Speaker: I call Tim Loughton—not here.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Onshore and offshore, my constituency has more wind turbines than I can shake a stick at. Does the Minister not agree that we should generate hydrogen where the electricity is being made? Perhaps if he came to have a look at the wind turbines in my constituency, he would get the same delicious scones that I promised the Prime Minister when he comes to see the first space launch.

Greg Hands: I thank the hon. Gentleman for that question; I think I have an existing commitment to go to his constituency. In fact, in my five months in this job, I think I have been four times to Scotland, and one of those visits was to the Whitelee wind farm, just south of Glasgow, to look at precisely what he mentioned. It is the UK's largest onshore wind farm, which generates

extra energy to produce hydrogen on-site, which will hopefully power Glasgow's buses and dustcart fleet for years to come.

Ian Paisley (North Antrim) (DUP): Does the Minister believe that the best way to stimulate the UK hydrogen strategy is to build hydrogen products that the public ultimately use, such as buses, trains and heavy goods vehicles? Will he commit to joining that up to the Department for Transport and encouraging it to get on with hydrogen bus development that will stimulate the entire economy?

Greg Hands: The hon. Gentleman and I know that Northern Ireland has an incredible capability and tradition in bus making. He is absolutely right that hydrogen-powered buses have a big future. I mentioned Glasgow City Council's commitment to move to hydrogen buses, thanks to the Whitelee wind farm; I imagine that we will want to do something similar in Northern Ireland. I look forward to further engagement with the Northern Ireland Executive on the topic.

Nuclear Power

5. **Scott Benton** (Blackpool South) (Con): What steps he is taking to deliver new nuclear power. [905669]

7. **Mark Menzies** (Fylde) (Con): What steps he is taking to deliver new nuclear power. [905672]

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): The Government have announced a £120 million future nuclear enabling fund to support new nuclear and are aiming for a final investment decision on at least one more large-scale nuclear project in this Parliament, subject to value for money and relevant approvals.

Scott Benton: Springfields nuclear fuel manufacturing facility employs hundreds of people on the Fylde coast. I thank the Minister for recently visiting the facility and for his personal interest in protecting the operations there. Will he commit to continuing to work with colleagues to explore the opportunities for developing operations at the site and protecting the hundreds of jobs that it sustains?

Greg Hands: My hon. Friend is a passionate supporter of local jobs in Blackpool. He is right: in December, I visited Springfields, which is just outside his constituency. It reminded me of the strategic national importance of our fuel industry, which is why we secured £75 million in the spending review to preserve and develop the UK's nuclear fuel production capability. That funding will support the UK supply chain to power the reactors of today and advanced nuclear in the future.

Mr Speaker: Let us go to the constituency that Springfields is in. I call Mark Menzies.

Mark Menzies: Thank you, Mr Speaker. Fracking has proven itself wholly unsuitable for the Fylde coast, with seismic events in Fylde twice forcing national moratoriums. Will my right hon. Friend assure my constituents and me that he agrees that to deal with the energy crisis, we need to look to technologies of the future such as next-generation nuclear, powered by Fylde-manufactured nuclear fuel?

Greg Hands: My hon. Friend is the MP for Springfields, as you rightly point out, Mr Speaker, and is a passionate backer of our nuclear industry. New nuclear is crucial to our plans for a low-cost, low-carbon resilient electricity system. On fracking, the Government's position is unchanged: fracking will not be allowed to proceed in England unless compelling new evidence is provided that addresses concerns about the prediction and management of induced seismicity.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): The Nuclear Decommissioning Authority has rejected proposals aimed at increasing transparency and accountability. There is wide disparity from plant to plant in engagement with local communities on concerns about safety issues such as breakdowns. What does the Minister make of the NDA's rejection of increased transparency? What steps is his Department taking to reassure communities?

Greg Hands: I am not aware of any rejection by the NDA of increased transparency. I am happy to look at what the hon. Lady has to say; my experience from quite a few meetings with the NDA is that transparency is very good, but I am happy to engage with her if she has a specific concern in relation to transparency in any nuclear plant in or near her constituency.

Wera Hobhouse (Bath) (LD): To deliver the Government's ambitious roll-out of renewables such as solar—but also nuclear electricity, if that is what the Government want—we need to proactively develop grid capacity. Why have the Government still not reformed the remit of Ofgem, which is a real barrier to increasing grid capacity?

Greg Hands: The hon. Lady is right: we have to make sure that our grid capacity is good for the big expansion of renewables, and indeed for the big expansion of nuclear, which is what this question is about. By the way, she might have a conversation with some of her colleagues, two of whom have recently mentioned support for nuclear—against Lib Dem party policy, it would seem. We and Ofgem are looking very actively at grid capacity: a lot of reviews are going on and there is a lot of action to ensure that grid capacity is in place, not least for the quadrupling of our offshore wind capacity.

Solar Energy: Agricultural Land

6. **Sir Edward Leigh** (Gainsborough) (Con): What discussions his officials have held with their counterparts at the Department for Environment, Food and Rural Affairs on agricultural land being repurposed for solar energy. [905670]

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): My officials have regular discussions with DEFRA about the deployment of low-carbon solar photovoltaics on farms. Many solar farms are constructed with raised panels that enable the continued grazing of livestock. Solar energy can also help farmers to increase their revenue streams from land less suited to higher-value crop production.

Sir Edward Leigh: A planning application has been submitted for a giant solar farm around Gainsborough, with an area equivalent to 5,000 football pitches. It is designed to be a so-called national infrastructure project

in order to bypass all local planning. Local people will have no control; this development will enrich a few local landowners, and some entrepreneurs in London. Is it not time for an urgent discussion throughout Whitehall about how we can stop these companies bypassing local planning and secure proper community gain and the protection of agriculture, and, for instance, ensure that there are buffer zones around villages?

Greg Hands: As my right hon. Friend knows, I am unable to comment on potential planning applications. Solar projects developed through the nationally significant infrastructure project planning process are subject to strict controls to protect local communities and the environment, including requirements for environmental impact assessments and public consultations. The Government recognise the importance of preserving the most productive farmland. Planning guidance is clear: where possible, large solar farms should use previously developed land, and projects should be designed to avoid, mitigate, and where necessary compensate for impact.

Valerie Vaz (Walsall South) (Lab): May I start by paying tribute to Sir Richard Shepherd, who has sadly died? He was a fantastic parliamentarian in the constituency next to mine, and he was very kind to me when I first came here.

There is a plan to build a battery energy storage system on green belt land. We appreciate that such a facility is needed to provide capacity for green energy, but will the Minister give a commitment that it will not be built on green belt land?

Greg Hands: Let me first join the right hon. Lady in her tribute to Sir Richard Shepherd. I share her sadness at his passing, of which I was not aware. He and I used to overlap with each other, and enjoyed a number of very productive times together.

I do not know whether the right hon. Lady is referring to a specific planning application, in which case it may be difficult for me to comment on it. What I will do is agree to meet her to discuss it, and if it does relate to a specific application in or near her constituency, I will ensure that I have officials there to hear what she has to say about the proposal.

Gareth Davies (Grantham and Stamford) (Con): A large number of solar farm applications are being processed in Lincolnshire. Some are comparatively small in scale, but others, such as the Mallard Pass development, are significant and are causing great concern locally. Can my right hon. Friend assure me that the Government have a strategy to ensure that solar farms will be spread evenly across the country, so that rural areas such as mine do not see a disproportionate amount of development?

Greg Hands: We are committed to ensuring that solar developments are carried out with local community support. That is the most important consideration. We recognise that in some cases solar farms can affect the local environment, which is why applicants must complete an environmental statement as part of their planning application, including assessments of the impacts on wildlife, land use and biodiversity. However, well-designed solar projects have been shown to enhance biodiversity.

Employment Legislation

8. **Angela Crawley** (Lanark and Hamilton East) (SNP): What stakeholder engagement his Department has undertaken on the Government's forthcoming Employment Bill. [905673]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): We have engaged extensively with stakeholders, both formally and informally, on a range of reforms to our employment framework, and will continue to do so in order to ensure that they deliver on our plan to build a high-skill, high-productivity, high-wage economy.

Angela Crawley: May I first express my thanks, Mr Speaker, to you for your kindness to my partner and me when our son was born last month?

This week the Northern Ireland Assembly gave a commitment to legislate for miscarriage leave, and the Scottish Government have given a commitment to introduce three days' paid leave in the public sector. Will this Government give a commitment to introducing paid miscarriage leave in the Employment Bill?

Paul Scully: I congratulate the hon. Member and her partner on their fantastic news. It was a pleasure to meet her to discuss her private Member's Bill on the subject that she has raised. We recognise that losing a baby at any stage is incredibly difficult, and we encourage employers to be compassionate. There is no statutory entitlement to leave for women who lose a baby before 24 completed weeks of pregnancy, but those who are unable to return to work may be entitled to statutory sick pay, and women are protected against workplace discrimination due to any pregnancy-related illness, including illness caused by miscarriage. That protection extends to two weeks after the end of the pregnancy.

Mrs Maria Miller (Basingstoke) (Con): The Government have already taken important steps to stop the abuse of non-disclosure agreements in universities. Will my hon. Friend look at how he can take this forward in his Employment Bill by talking to organisations such as Can't Buy My Silence, which are doing important work on ensuring that non-disclosure agreements are not misused in the workplace to cover up criminal allegations?

Paul Scully: I congratulate my right hon. Friend on her work in this and many other areas. I would happily meet her and that organisation to continue our conversation on NDAs.

Justin Madders (Ellesmere Port and Neston) (Lab): I wonder if the Minister has done any stakeholder engagement with the new Minister for Brexit Opportunities and Government Efficiency, the right hon. Member for North East Somerset (Mr Rees-Mogg). I ask that question because in *The Times* at the weekend the new Minister said:

"Sometimes the employer would think they need more protection from the employee."

That view is wrong. Too many people are in precarious employment and do not have strong workplace rights, and the Employment Bill is a chance to begin to address that. Does the Minister agree with us that it is employees who need more protection, or does he agree with his colleague that it is the employers who need more help?

Paul Scully: We will bring forward changes to the employment framework in due course. While we are working on that, and when parliamentary time allows, we are working on employment. That is why we have record numbers of people on payroll—men and women and people from all backgrounds, abilities and situations.

Flexible Working

9. **Tulip Siddiq** (Hampstead and Kilburn) (Lab): If he will make it his policy to make flexible working the default. [905674]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): The Government strongly support flexible working. Only by championing a flexible and dynamic labour market will we grow our economy. I would like to thank the hon. Member for her response to the consultation we closed in December and I look forward to publishing our response in due course.

Tulip Siddiq: I have listened carefully to what the Minister has said and I am pleased that the Government are talking about making flexible working the default, but their proposal merely makes the existing right to request flexible working available from day one in the job. I am sure the Minister knows that that will do nothing to address the fact that a third of all requests for flexible working are rejected, which puts single parents and carers at a considerable disadvantage in the workplace and affects the recruitment process as well. What legislation will the Government undertake to address the fact that unscrupulous employers can pick on a range of often pathetic, unfair and broad reasons when they want to reject a request for flexible working? Will the Government be introducing any actual legislation, because that is what the Opposition want to support?

Paul Scully: The hon. Member has reflected her consultation response in her questions. The consultation stuck to the principle that there is no one-size-fits-all approach to flexible working. We support the "right to request" framework, which facilitates an informed two-sided conversation but ensures that employers have the right to refuse requests that are unworkable within their business operations. Clearly, that will need to be robust if they feel that they need to reject a request because of the business situation.

Small Businesses: Energy Costs

10. **Mary Glendon** (North Tyneside) (Lab): What recent steps he has taken to support small businesses to meet rising energy costs. [905675]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): We recognise the impact that rising energy prices will have on businesses of all sizes. To understand the challenges that they face and explore ways to protect consumers and businesses, Ofgem and the Government are in regular contact with business groups and suppliers.

Mary Glendon: Given that the Federation of Small Businesses has said that small business confidence in the north-east is now at minus 64%, can the Minister

say what consideration he is giving to the measures put forward by the FSB to support small businesses in the energy crisis, including scrapping the planned national insurance contributions increase and extending the household rebate to be matched by an equivalent business rate rebate?

Paul Scully: I met representatives of the FSB and other organisations yesterday, when we touched upon energy for businesses. We will always listen to those representative organisations. Clearly we want to ensure that the £408 billion of support in the last two years to protect businesses, livelihoods and jobs will help us to shape the recovery, with ongoing support from this Government—the Government for business.

Energy Price Cap: Prepayment Meter Customers

11. **Yvonne Fovargue** (Makerfield) (Lab): Whether he is taking steps to support prepayment meter customers following the increase in the energy price cap through the energy bills rebate. [905676]

The Secretary of State for Business, Energy and Industrial Strategy (Kwasi Kwarteng): We are working hard to design this scheme at pace. We acknowledge that delivering the bill reduction for this payment mechanism will require a special focus, and that is why we are engaging with consumer groups and Ofgem to work out how best to design the mechanism.

Yvonne Fovargue: People on prepayment meters will see their bills rise by £708, which is £46 more than for those who pay by direct debit. How will the Secretary of State ensure that people do not self-disconnect, leaving them without heat and means to cook? How will that be monitored? What thought has been given to private renters so that they do not lose out on the rebate due to the frequent tenancy changes in that sector?

Kwasi Kwarteng: We are constantly engaging with Citizens Advice, Ofgem and a huge range of stakeholders about how to protect the most vulnerable consumers. The package announced by my right hon. Friend the Chancellor only a couple of weeks ago includes £350, which goes halfway towards addressing the increase that the hon. Member for Makerfield (Yvonne Fovargue) describes. The warm home discount is being extended from 2 million people to 3 million people, and the uplift will be to £150.

Dr Alan Whitehead (Southampton, Test) (Lab): The 4 million pre-payment meter customers in this country will be profoundly unimpressed by the Secretary of State's answers this morning. Not only are they paying far more than the £693 increase on the price cap for customers with accounts, but it is uncertain whether they will have access to the £200 Government scheme to lend customers their own money, as they do not have accounts through which to do this. Indeed, many of them will miss out on the council tax rebate, too.

Would it not have been much more straightforward and fairer for prepayment meter customers if we had levied a windfall tax on companies that are profiting from high gas prices and provided those customers with a direct and non-refundable discount on their bills through their meter?

Kwasi Kwarteng: That is why we have £155 million that can be applied discretionally, particularly to protect these vulnerable consumers. Labour's whole approach to energy security has been woeful. Labour destroyed the nuclear industry we had, without any progress, and it has created massive uncertainty in energy supply through its proposed windfall tax, which is not the way to produce energy supply that secures low-cost energy for our people.

Parkinson's Disease

13. **Mr Virendra Sharma** (Ealing, Southall) (Lab): What steps his Department is taking to support research into Parkinson's disease. [905678]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (George Freeman): I am grateful for the hon. Gentleman's question on the importance of research into neurodegeneration and Parkinson's, a cause I was proud to champion as Minister for life sciences. We are investing £20 million a year, including £14.8 million through UK Research and Innovation and another £6 million through the National Institute for Health Research. We continue to fund the UK Dementia Research Institute, and in the autumn we announced another £375 million for neurodegenerative diseases over the next three years.

Mr Sharma: More than 150,000 people in the UK will have Parkinson's by 2030. Parkinson's UK is clear that, to accelerate the search for a cure, research must be supported by improved infrastructure, including the use of digital technology and better clinical trial design. Will the Minister meet me and Parkinson's UK to discuss how its proposal for a challenge fund could help to defeat Parkinson's?

George Freeman: Yes, I would be delighted to meet the hon. Gentleman. He makes an important point. The truth is that the next frontier in neurodegenerative science will be a mixture of neural pathways, neural mapping, digital science and deep-tissue phenomic and genomic science, which is why I was recently in Switzerland at the institute of neuroscience in Lucerne to see whether we can establish a collaboration.

Automotive Sector

14. **Ian Levy** (Blyth Valley) (Con): What steps he is taking to help support the growth of the automotive sector. [905679]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Lee Rowley): The Government support growth by offering the automotive sector certainty, by making clear statements about our intentions regarding petrol and diesel vehicles and by supporting investment, innovation and a resilient supply chain via a taxpayer subsidy through the automotive transformation fund and the Advanced Propulsion Centre.

Ian Levy: Following the recent announcement of £100 million of Government funding for Britishvolt in Northumberland, does my hon. Friend agree that this is only the beginning of the transition to a clean, green economy and that my constituents in Blyth Valley, as well as many others across the north, can look forward to a bright and prosperous future?

Lee Rowley: I pay huge tribute to my hon. Friend for all the work he has done on Britishvolt, as a passionate advocate for his constituency. This will bring new skills, jobs and opportunities to Blyth Valley, and I congratulate him on it.

Bill Esterson (Sefton Central) (Lab): Yesterday, the Prime Minister said that he wanted British workers to be more like German workers. Let us be more like Germany: it has increased the number of manufacturing jobs by 1 million since 2010, whereas this Government have presided over a fall of 93,000 jobs. The difference is that this Conservative Government do not have a plan, whereas in Germany there is a plan for manufacturing. The Labour party has a plan in our country, too, so if Ministers really want to support manufacturing, why do they not use Labour's plan to make, buy and sell more in Britain?

Lee Rowley: I am not sure that Members on these Benches will take any lessons from a Labour party that decimated manufacturing between 1997 and 2010. Before the pandemic in 2019, we had seen an increase in employment in manufacturing, and the expansive and multiple investments in manufacturing announced in just the past few months—at Nissan, Stellantis and Britishvolt—demonstrate this Government's commitment to manufacturing for the long term.

Topical Questions

T1. [905654] **Darren Henry** (Broxtowe) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Energy and Industrial Strategy (Kwasi Kwarteng): As we all know, rising energy bills are a cause for concern for people up and down this country, but we have stepped in to give families some breathing space, with our energy bills rebate and council tax discount. Our supply of gas is secure; unlike many European Union countries, we are not dependent on Russian gas. Much of our supply comes from British territorial waters and from reliable import partners, such as Norway. The UK is the fastest growing economy in the G7, unemployment is down to record low levels and wages continue to rise. There are challenges ahead, but Britain is bouncing back from the pandemic.

Darren Henry: Will the Secretary of State outline what steps the Department is taking to help low-income households in my constituency deal with the energy crisis?

Kwasi Kwarteng: My hon. Friend will appreciate the excellent statement made by my right hon. Friend the Chancellor of the Exchequer a couple of weeks ago. There was a range of measures totalling £9.1 billion, which included the council tax rebate for bands A to D and a £200 reduction in energy bills, totalling £350 to reduce bills. As I alluded to earlier, there was also an extension of the warm home discount.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The Secretary of State omitted to mention that inflation is now at its highest level for 30 years. Energy costs are spiralling and the private sector has yet to recover to pre-pandemic levels. Does he acknowledge that the

Chancellor's very large rise in national insurance, coming in April, will make a bad situation for British businesses even worse?

Kwasi Kwarteng: I am delighted to hear Members from the Opposition parties so bullish about our economy, given that we are the fastest growing economy in the G7! The hon. Member for Sefton Central (Bill Esterson) mentioned Germany; I was very struck by the Bundesbank saying that Germany was facing recession, but we do not hear about that. We are creating more jobs, we have announced record investment and the Government's plan is working in terms of bouncing back better from the pandemic.

Seema Malhotra: The Secretary of State did not answer the question, because he knows that this is a high-tax Government because they have created a low-growth economy. May I also raise his recent claim that fraud is not something that affects people day to day? Fraud is estimated to cost the British economy as much as £52 billion a year, so will he accept that he has got this wrong? Will he apologise to the 4.6 million people who are victims of fraud each year, and tell the House today what steps he will take to do better?

Kwasi Kwarteng: I will tell the hon. Lady exactly what steps I will take to do better. I will constantly and always fight against Labour's socialism, its windfall tax, its inability to plan ahead and its total lack of remorse for the fact that it destroyed manufacturing jobs in the time it was in government.

T2. [905655] **David Johnston** (Wantage) (Con): My right hon. Friend the Minister will know that I am the promoter of the Local Electricity Bill, which is supported by just under 300 Members of this House, and I will be chairing a new all-party parliamentary group on community energy to promote it. Does he agree that community energy can play a key role in reaching our net zero goal? Will he work with us to remove the barriers to local suppliers of renewable energy?

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): I thank my hon. Friend for his long-standing and passionate interest in community energy. I was delighted to meet him and colleagues just before the recess. Through the introduction of UK-wide growth-funding schemes such as the towns fund, the Government are enabling local areas to tackle net zero goals. We intend to publish an updated retail energy market strategy in due course.

T4. [905657] **Peter Dowd** (Bootle) (Lab): Less than 24 hours ago the Prime Minister said:

"SAGE is certain that there will be new variants, and it is very possible that those will be worse than omicron."—[*Official Report*, 21 February 2022; Vol. 709, c. 44.]

What practical steps has the Department taken to ensure the maintenance of the infrastructure needed to develop second-generation covid vaccines and to build the pandemic-readiness resilience to which the Prime Minister referred?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (George Freeman): I will happily talk to the hon. Member offline about the extensive vaccine pipeline that we are in the process of procuring. It includes next-generation mRNA vaccines

for both flu and the next phase of covid. We are ahead of the curve on the next phase, as we were during the pandemic.

T3. [905656] **Aaron Bell** (Newcastle-under-Lyme) (Con): May I draw the Minister's attention to the plans, due to be published tomorrow by Midlands Connect, to significantly improve and invest in the A50/A500 east-west corridor? It runs from the M6 to the M1 and is home to many of the UK's leading manufacturers, including JCB, Toyota, Rolls-Royce and Bentley, and it is also a hotspot for the development of hydrogen technology by businesses and by universities such as Keele University in Newcastle-under-Lyme. The opportunities for skilled jobs, innovation and green growth are huge if the Government can help to unlock the infrastructure, so will the Minister meet me and local stakeholders to discuss the opportunities?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Lee Rowley): My hon. Friend highlights the amount of opportunities that are coming to constituencies such as his in Staffordshire. I would be delighted to meet him to talk more about them.

T7. [905660] **Joanna Cherry** (Edinburgh South West) (SNP): Community schemes such as Harlaw Hydro in my constituency provide 11% of Scotland's renewable energy production. Our current energy crisis underlines the need to diversify energy production, so I was a bit disappointed when the hon. Member for Wantage (David Johnston) asked about his Local Electricity Bill and the Government were not able to give it their full support. Will the Government now state for the record their full support for measures such as that Bill to make proper and full use of community energy projects like the one in my constituency?

Kwasi Kwarteng: I assure the hon. and learned Lady that we fully support the transition in the North sea transition deal and the oil and gas sector, whereas her party and the Greens are seeking to destroy it and destroy jobs. That is the fact that I want to raise here.

T5. [905658] **Antony Higginbotham** (Burnley) (Con): The fact that global energy prices continue to be very volatile is a big concern for my constituents in Burnley and Padiham. One reason for that volatility is the weaponisation of energy by countries such as Russia, highlighting how we need not to rely on hostile state actors. Will the Secretary of State or the Minister set out what we are doing to ensure security of supply, not just now but for decades to come?

Greg Hands: Energy security is an absolute priority for the Government. Our exposure to global gas prices underscores the importance of not only our own UK North sea gas production but building a strong renewables sector to reduce our reliance on energy imports in the first place. To that end, we recently published both a comprehensive net zero strategy and the North sea transition deal.

T9. [905662] **Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): Does the Secretary of State agree that Afghan families who have come to the UK want to participate fully in our economy? Will he

therefore help to establish a funded scheme so that Afghan refugees can set up their own businesses and contribute fully to our economy?

Kwasi Kwarteng: The hon. Gentleman will appreciate that issues of settlement and asylum are ably dealt with by my right hon. Friend the Home Secretary. I engage with her constantly in respect of employment schemes for people who wish to come into this country.

T6. [905659] **Dr James Davies** (Vale of Clwyd) (Con): Is my right hon. Friend aware of Rolls-Royce SMR's plans to set up small modular reactor factories here in the UK? Does he agree that the high-skilled, long-term jobs in such factories could significantly help to level up north Wales and contribute to both net zero and a global Britain that exports more around the world?

Greg Hands: As the current energy Minister and the former exports Minister, I agree entirely with my hon. Friend on the export potential of the Rolls-Royce SMR technology, which has the potential to provide levelling-up jobs precisely in areas such as north Wales, as he so ably urges.

Janet Daby (Lewisham East) (Lab): Last week was the ninth anniversary of the death of Ella Adoo-Kissi-Debrah, a nine-year-old girl who died following an asthma attack brought on by toxic air on a busy road on the South Circular. Our towns and cities need low and non-carbon transport solutions. We all know that electric cars are expensive, but second-hand electric cars are seldom available, which means that each car needs to be purchased from new. The current maximum Government grant for part-purchasing a new electric car is just not enough.

Greg Hands: The death of the hon. Lady's young constituent bears heavily on all of us as London Members of Parliament. I remind her that the principal responsibility for air quality in London rests with the Mayor of London. On the action that we are taking to encourage more low-carbon and zero-carbon vehicles, we have announced: the phasing out of petrol and diesel-driven cars; a big investment in our electric vehicle charging infrastructure; and a big move to hydrogen-powered vehicles. Work in these areas will see low and zero-carbon vehicles become the future of urban transport in this country.

T8. [905661] **Mr John Whittingdale** (Maldon) (Con): While I welcome the establishment of the digital markets unit, does my hon. Friend agree that it is essential that it should be given statutory backing if it is to set a level playing field between publishers and platforms? Can he confirm that it is still the Government's intention to introduce that legislation early in the next Session?

George Freeman: My right hon. Friend makes an important point, which I would be keen to talk to him about. Although that is a Department for Digital, Culture, Media and Sport lead, we are tightening up on the intellectual property provisions, and we are minded to proceed with that legislation.

Mrs Emma Lewell-Buck (South Shields) (Lab): Unscrupulous employers have used the pandemic to

slash their loyal workforce's terms and conditions and threaten them with the sack. Court cases have been lost by Uber and more recently by Tesco, yet all we have from this Government are platitudes. They have done absolutely nothing to stop brutal fire and rehire practices. Will the Government's much-fabled Employment Bill finally ban them once and for all?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): This Government have been really clear that such practices should not be used as bully-boy negotiating tactics. Employers should refer to the strengthened ACAS guidance that sets out that dismissal and re-engagement should be considered only as an option of last resort.

T10. [905663] **Mrs Sheryll Murray** (South East Cornwall) (Con): Cornwall is famous for its creativity and its inventions—whether it be Richard Trevithick's steam engine, Cornishman Richard Lower, who did the first blood transfusion, or Sir Humphry Davy's lamp. What assurance can the Government give that research and development funding is getting to Cornwall?

George Freeman: My hon. Friend is an outspoken advocate for the Cornish cluster, which is growing fast. In addition to our groundbreaking pledge to increase investment in R&D outside the golden triangle to 55%, we are specifically investing in the South West Centre of Excellence in Satellite Applications, the Newquay Spaceport and work with the University of Exeter and Virgin Orbit. This is an exciting time for the Cornish economy.

Andy McDonald (Middlesbrough) (Lab): Yesterday, the Prime Minister said that workers in the UK should learn from Germany, where workers do not have a habit of going into work when not well. Will the Minister learn from the German Government and bring in statutory sick pay that covers 100% of workers' salaries instead of the measly 90% that is covered in the UK, which leaves so many workers in the terrible position of having to do the responsible thing of isolating while being sick and

not being able to put food on the table? On that point, will the Minister take this opportunity—

Mr Speaker: Order. Mr McDonald, I gave you the privilege of getting in. Questions are meant to be brief. There are two other people who have to come in as well; it is not just about you.

Paul Scully: During isolation, we made it easier to claim statutory sick pay. We also changed universal credit to make it easier to claim and more generous. We continue to support people as this pandemic becomes endemic.

Robert Largan (High Peak) (Con): Last year I organised the first ever High Peak jobs and apprenticeships fair, working with organisations such as Buxton & Leek College and fantastic employers such as Tarmac, Breedon Group and Ferodo. It was a huge success, with hundreds attending and many reporting that they had found jobs as a result, so I am delighted to announce the second High Peak jobs and apprenticeships fair, and I would love to invite the Minister to attend.

Lee Rowley: I am very grateful to my hon. Friend and will be delighted to attend if I can.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The Government hate a monopoly, so can the Minister come to the Dispatch Box and tell my constituents who are former employees of Together Energy why his Government are using the energy crisis to create an energy monopoly by the big players, as opposed to small and medium-sized providers?

Kwasi Kwarteng: As I have maintained on a number of occasions, the hon. Gentleman's party is a jobs destroyer in the energy sector, refusing to countenance any investment in the North sea, and in alliance with the Greens, who want to destroy jobs in the sector.

Ukraine

12.30 pm

The Prime Minister (Boris Johnson): With permission, Mr Speaker, I will make a statement about the situation in Ukraine. Last night, President Putin flagrantly violated the Minsk peace agreements by recognising the supposed independence of the so-called people's republics of Donetsk and Luhansk in eastern Ukraine. In a single inflammatory speech, he denied that Ukraine had any "tradition of genuine statehood", claimed that it posed a "direct threat to the security of Russia",

and hurled numerous other false accusations and aspersions.

Soon afterwards, the Kremlin announced that Russian troops would enter the breakaway regions under the guise of peacekeepers, and Russian tanks and armoured personnel carriers have since been spotted. The House should be in no doubt that the deployment of these forces in sovereign Ukrainian territory amounts to a renewed invasion of that country. By denying Ukraine's legitimacy as a state and presenting its very existence as a mortal threat to Russia, Putin is establishing the pretext for a full-scale offensive.

Hon. Members will struggle to contemplate how, in the year 2022, a national leader might calmly and deliberately plot the destruction of a peaceful neighbour, yet the evidence of his own words suggests that is exactly what President Putin is doing. I said on Saturday that his scheme to subvert and invade Ukraine was already in motion before our eyes. The events of the past 24 hours have, sadly, shown this to be true.

We must now brace ourselves for the next possible stages of Putin's plan: the violent subversion of areas of eastern Ukraine by Russian operatives and their hirelings, followed by a general offensive by the nearly 200,000 Russian troops gathered on the frontiers at peak readiness to attack. If the worst happens, a European nation of 44 million men, women and children would become the target of a full-scale war of aggression waged, without a shred of justification, for the absurd and even mystical reasons that Putin described last night. Unless the situation changes, the best efforts of the United States, Britain, France, Germany and other allies to avoid conflict through patient diplomacy may be in vain.

From the beginning, we have tried our utmost—we have all tried—to find a peaceful way through this crisis. On 11 February, my right hon. Friend the Defence Secretary and the Chief of the Defence Staff, Admiral Radakin, paid the first joint visit to Moscow by the holders of their offices since Churchill, who was also Defence Minister at the time, travelled to Russia with General Alanbrooke in 1944. They held over three hours of frank discussions with the Russian Defence Minister, General Shoigu, and the chief of staff, General Gerasimov, demonstrating how seriously we take Russia's security concerns, how much we respect her history and how hard we are prepared to work to ensure peaceful co-existence.

My right hon. Friend the Foreign Secretary delivered the same messages when she met her Russian counterpart in Moscow on 10 February. I have spoken on a number of occasions to President Putin since this crisis began, as has President Biden, while President Macron and Chancellor Scholz have both visited Moscow. Together

we have explored every avenue and given Putin every opportunity to pursue his aims by negotiation and diplomacy.

I tell the House: we will not give up—we will continue to seek a diplomatic solution until the last possible moment—but we have to face the possibility that none of our messages has been heeded and that Putin is implacably determined to go further in subjugating and tormenting Ukraine. It is because we suspected as much that the UK and our allies repeatedly sounded the alarm about a possible new invasion, and we disclosed much of what we knew about Russia's military build-up.

Britain has done everything possible to help Ukraine to prepare for another onslaught: training 22,000 soldiers, supplying 2,000 anti-tank missiles, and providing £100 million for economic reform and energy independence. We will now guarantee up to \$500 million of Development Bank financing. I travelled to Kyiv to meet President Zelensky on 1 February and I saw him again in Munich at the weekend. I spoke to him last night, soon after President Putin's speech, and assured him—as I am sure the whole House would agree was the right thing to do—of Britain's unwavering support for Ukraine's sovereignty and territorial integrity.

Now the UK and our allies will begin to impose the sanctions on Russia that we have already prepared, using the new and unprecedented powers granted by this House to sanction Russian individuals and entities of strategic importance to the Kremlin. Today the UK is sanctioning the following five Russian banks: Rossiya, IS Bank, Genbank, Promsvyazbank and the Black Sea bank. And we are sanctioning three very high net worth individuals: Gennady Timchenko, Boris Rotenberg and Igor Rotenberg. Any assets they hold in the UK will be frozen, the individuals concerned will be banned from travelling here, and we will prohibit all UK individuals and entities from having any dealings with them.

This is the first tranche—the first barrage—of what we are prepared to do, and we hold further sanctions at readiness to be deployed alongside the United States and the European Union if the situation escalates still further. Last night, our diplomats joined an emergency meeting of the UN Security Council, and we will raise the situation in the Organisation for Security and Co-operation in Europe.

Let me emphasise what I believe unites every member of this House with equal determination: the resolve of the United Kingdom to defend our NATO allies is absolute and immovable. We have already doubled the size of our deployment in Estonia, where the British Army leads NATO's battlegroup, and when I met President Levits of Latvia and Prime Minister Kallas of Estonia in Munich on Saturday, I told them that we would be willing to send more British forces to help protect our allies if NATO makes such a request.

We cannot tell what will happen in the days ahead, but we should steel ourselves for a protracted crisis. The United Kingdom will meet this challenge side by side with our allies, determined that we will not allow Putin to drag our continent back into a Hobbesian state of nature where aggression pays and might is right. It is precisely because the stakes are so high that Putin's venture in Ukraine must ultimately fail—and must be seen to fail. That will require the perseverance, unity

[*The Prime Minister*]

and resolve of the entire western alliance, and the UK will do everything possible to ensure that that unity is maintained.

Now our thoughts should turn to our valiant Ukrainian friends, who threaten no one and who ask for nothing except to live in peace and freedom. We will keep faith with them in the critical days that lie ahead, and whatever happens, Britain will not waver in our resolve. I commend this statement to the House.

12.39 pm

Keir Starmer (Holborn and St Pancras) (Lab): Yesterday was a dark day for Europe. The Russian President denied the right of a sovereign nation to exist, unilaterally recognising separatist movements that he sponsors and that seek to dismember Ukraine. Then, under the cover of darkness, he sent in troops to enforce his will. Putin appears determined to plunge Ukraine into a wider war. We must all stand firm in our support for Ukraine. We support the freedom of her people and their right to determine their own future without the gun of an imperialist held to their head.

There can be no excuses for Russia's actions. There is no justification for this aggression. A war in Ukraine will be bloody, it will cost lives, and history will rightly scorn Putin as the aggressor. Putin claims to fear NATO expansion, but Russia faces no conceivable threat from allied troops or from Ukraine. What he fears is openness and democracy. He knows that, given a choice, people will not choose to live under the rule of an erratic and violent authoritarian, so we must remain united and true to our values across this House and with our NATO allies. We must show Putin that we will not be divided.

I welcome the sanctions introduced today and the international community's efforts to unite with a collective response. However, we must be prepared to go further. I understand the tactic of holding back sanctions on Putin and his cronies to try to deter an invasion of the rest of Ukraine, but a threshold has already been breached. A sovereign nation has been invaded in a war of aggression based on lies and fabrication. If we do not respond with a full set of sanctions now, Putin will once again take away the message that the benefits of aggression outweigh the costs. We will work with the Prime Minister and our international allies to ensure that more sanctions are introduced.

Russia should be excluded from financial mechanisms, such as SWIFT, and we should ban trading in Russian sovereign debt. Putin's campaign of misinformation should be tackled. Russia Today should be prevented from broadcasting its propaganda around the world. We should work with our European allies to ensure that the Nord Stream 2 pipeline is cancelled. Whatever the sequencing of these sanctions, this will not be easy. Britain must work with our European allies to handle the disruption to the supply of energy and raw materials. We must defend ourselves and our allies against cyber-attacks. We must bring together the widest possible coalition of nations to condemn this action against a sovereign UN member state.

Ukrainians are defending their own country and democracy in Europe. We must stand ready with more military support for Ukraine to defend itself, and we must stand ready to do more to reassure and reinforce

NATO allies in eastern Europe, but we must also get our own house in order. The Prime Minister said that the lesson from Russia's 2014 invasion of Donbas is that we cannot just let Vladimir Putin get away with it, but until now we have. We have failed to stop the flow of illicit Russian finance into Britain. A cottage industry does the bidding of those linked to Putin, and Russian money has been allowed to influence our politics. We have to admit that mistakes have been made, and we have to rectify them.

This must be a turning point. We need an end to oligarch impunity. We need to draw a line under Companies House providing easy cover for shell companies. We need to ensure that our anti-money-laundering laws are enforced. We need to crack down on spies, and we have to ensure that money is not pouring into UK politics from abroad.

Russian aggression has now torn up the Minsk protocol and the Budapest memorandum, but even at this late hour we must pursue diplomatic routes to prevent further conflict, so can the Prime Minister tell us what international diplomatic efforts are going on and what role the UK will have in that process? We know Putin's playbook. He seeks division; we must stay united. He believes the benefits of aggression outweigh the consequences, so we must take a stand, and he believes the west is too corrupted to do the right thing, so we must prove him wrong. I believe we can, and I offer the support of the Opposition in that vital endeavour.

The Prime Minister: Can I thank the right hon. and learned Gentleman, the Leader of the Opposition, for the clarity with which he has just spoken and the support that he has given to the UK's strategy in dealing with this crisis in Europe? I think, if I may say so, that that will be noted, and the change in the approach taken by the Opposition over the last couple of years is massively beneficial—[*Interruption.*] I think a fair-minded person would acknowledge that.

The right hon. and learned Gentleman has raised some important questions, and they relate to the ways in which we clamp down on Russian money in the UK, and indeed throughout the west. This country was the first to publish a register of beneficial ownership, this country has led the way in cracking down on wealth that is unexplained and we are bringing forward an economic crime Bill to take forward further measures. The House should understand that it is absolutely vital that we hold in reserve further powerful sanctions, as I think the right hon. and learned Gentleman acknowledged, in view of what President Putin may do next.

We want to stop Russian companies being able to raise funds in sterling or indeed in dollars, we want to stop them raising funds on UK markets and we want to strip away the veil that conceals the ownership of property in this country, and indeed throughout the west. We will work with our friends and partners around the world to achieve that, and the sanctions we are implementing today are very tough. Promsvyazbank is a top 10 Russian bank, which services 70% of state contracts signed by the Russian Ministry of Defence, but the measures we have prepared are much tougher still, and we will have absolutely no hesitation in implementing them.

We will get on with the business of diplomacy, and the right hon. and learned Gentleman is absolutely right to draw attention to the importance of diplomacy now, in spite of everything that is happening on the

borders of Ukraine and now in Donbas. There is a G7 meeting straight after this statement, and we will be holding meetings in NATO, in the P5 and in every forum where it is relevant and possible to bring President Putin to understand the gravity of what he is doing.

The UK will continue to offer support to our Ukrainian friends, and I do think it has been right for us to be out in front in offering military assistance—defensive military assistance—to the Ukrainians. I think that has been the right thing to do. I spoke last night to President Zelensky, who made further requests, and we will consider them. We are doing everything we can to offer support in the time that we have, and we will do that, and I am glad that the right hon. and learned Gentleman seemed to support that as well.

It is absolutely vital at this critical moment that President Putin understands that what he is doing is going to be a disaster for Russia. It is clear from the response of the world to what he has done already in Donbas that he is going to end up with a Russia that is poorer as a result of the sanctions that the world will implement: a Russia that is more isolated, a Russia that has pariah status—no chance of holding football tournaments in a Russia that invades sovereign countries—and a Russia that is engaged in a bloody and debilitating conflict with a fellow Slav country. What an appalling result for President Putin. I hope that he steps back from the brink and does not conduct a full invasion, but in the meantime we must implement the tough package that we have put forward, and we will continue to offer the Ukrainian people all the support that we can.

Mrs Theresa May (Maidenhead) (Con): I welcome my right hon. Friend's statement and also the UK's unwavering support for Ukrainian sovereignty at this gravest of times, which shows we can never take our eyes off Russia. But does my right hon. Friend share my concern that while the focus today is rightly on protecting Ukrainian independence and territorial integrity, what lies behind this is a wider worldwide trend of authoritarian states trying to impose their way of thinking on others, and that the battle in which we now must now engage is nothing more nor less than the defence of democracy itself?

The Prime Minister: My right hon. Friend is entirely right, and that is what is at stake. What is happening in Ukraine now is being watched around the world and the echoes will be heard in Taiwan, east Asia and throughout the world.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I thank the Prime Minister for advance sight of his statement and thank the National Security Adviser, who has briefed Opposition leaders.

This is a dark day for the people of Ukraine and for people right across our European continent. Europe stands on the brink of war as a consequence of Russian aggression. It is a day that communities across Scotland, right across these islands and indeed across Europe desperately hoped would never come to pass. But although that sense of darkness defines today, how we now collectively respond will define the days to come.

This Chamber has, especially during recent months, seen fierce debate and disagreements, but today it is important to say, in the face of Russian aggression

against Ukraine, that in this House we all stand together: we stand together and stand with our partners across Europe and indeed across the globe. But more importantly, we stand with the Ukrainian people, who are now under assault. A European country—an ally—is under attack. We should be very clear about what is now happening: this is an illegal Russian occupation of Ukraine, just as it was in Crimea. Russia has effectively annexed another two Ukrainian regions in a blatant breach of international law. This effectively ends the Minsk process. It is a further violation of the sovereignty and territorial integrity of Ukraine. No one should even repeat the Russian lie that this is about peacekeeping; this is warmongering, plain and simple. President Putin must hear the call from here and elsewhere to draw back before any further escalation can take place.

I and my party welcome the sanctions that are now being brought forward, but it is deeply regrettable that the delay has allowed many Russian individuals to shift dirty assets and money in the last number of weeks. However, may I ask the Prime Minister specifically if the Russian state and individuals will be immediately suspended from the SWIFT payments system? Just as economic sanctions against Russia are welcome, Ukraine needs immediate economic and indeed humanitarian support if required. When will economic and humanitarian support be enacted and what will it entail? Can the Prime Minister also confirm that there will be exemptions for partners of UK citizens residing in Ukraine to come to the UK? They need that certainty and they need it today.

In the days ahead we can no doubt expect a barrage of disinformation from the Russian media and its proxies. So can the Prime Minister update us on how the United Kingdom Government intend to combat that threat? This is also the moment to end the complacency in implementing the Intelligence and Security Committee's Russia report; will the Prime Minister now commit to its full implementation and update the House accordingly?

Can I also ask the Prime Minister, after the UN Security Council's brief meeting last night, when it will next meet and what co-ordination is happening across all international organisations to force President Putin to step back from the brink before it is too late?

Finally, let President Putin hear loudly and clearly that he must now desist from this act of war, this attack on a sovereign nation. Let us all demonstrate that we stand with the people of Ukraine.

The Prime Minister: I wholeheartedly thank the right hon. Gentleman for the terms in which he has just spoken and the unity and resolve he has just shown, in common with the right hon. and learned Gentleman the Leader of the Opposition. The spirit this House is showing today is absolutely invaluable.

The right hon. Gentleman is right to raise questions about the speed with which we have been able to sanction various individuals. We brought forward the Magnitsky sanctions, as he knows, and he was important in that last year. We are bringing forward the registry of beneficial ownership faster than any other country, stripping away the veil on Russian dirty money. He asked about support for Ukraine; as I mentioned in the House, we have given £100 million-worth of support particularly for Ukraine's energy crisis and also for other economic needs, plus the further \$500 million I announced just now.

[*The Prime Minister*]

The diplomatic effort is now intensifying. The right hon. Gentleman asked about the forums in which it is taking place; there are more meetings in the UN. But ultimately, as he rightly says, this is up to Vladimir Putin: he and he alone can decide whether or not to halt what seems to be an absolutely irresistible march towards tragedy. It is down to him; it is in his head.

Several hon. Members *rose*—

Mr Speaker: Order. I am expecting to run this statement until around 2 o'clock, so short questions and pithy answers would certainly be helpful.

Tom Tugendhat (Tonbridge and Malling) (Con): I welcome my right hon. Friend's statement today and the actions of him and his Government over recent weeks. I pay particular tribute to the Defence Secretary, whose unflinching efforts in preparing not just the people of Ukraine but our allies in NATO for this aggression has been exemplary.

As we are talking about sanctions today, and rightly so, will my right hon. Friend the Prime Minister also commit to a foreign agents registration Act? We have seen the insidious work of the United Front for China, and indeed of different outfits for Russia, to undermine our democracy and threaten our way of life. Will he please bring in that Act, and while he is doing it will he finance much more the Russian service of the BBC so the Russian people can hear the truth, not the lies being spread by their own Government?

The Prime Minister: I thank my hon. Friend very much. The Russian service of the BBC has done an invaluable job and it is important that it continues to be financed. I will look at the details of its package. On his proposal for a foreign agent registration law, we are indeed considering what more we can do to counter threats to this country from within.

Dame Margaret Hodge (Barking) (Lab): According to expert legal advice I have seen, there are serious flaws in the new sanctions regime: it may not affect oligarchs close to Putin who do not hold an official position in a company or who own less than 50% of shares; it is too narrow in defining the individuals it covers; unlike US legislation, it is limited in how we can sanction Russian Government officials; and the definition of "Government of Russia" excludes the legislative branch, including the Duma. That means that kleptocrats who have stolen from the Russian people and support Putin would not be caught. Of Navalny's list of 35, only 13 would be caught: Abramovich, Usmanov, Timchenko and Deripaska would escape. Will the Prime Minister look again at the sanctions regime so that, in the words of the Foreign Secretary:

"Nothing is off the table"?—[*Official Report*, 31 January 2022; Vol. 708, c. 56.]

The Prime Minister: I understand the right hon. Lady's concern but believe she is in error in what she says, because we can certainly target members of the Duma, Abramovich is already facing sanctions and in the announcements I have made today Gennady Timchenko, to whom she just referred, is specifically

targeted; he is on the list, as are Boris Rotenberg and Igor Rotenberg. These are people who are very close to the Putin regime, but, as I said to the House, they are just part of the first barrage.

Mr Tobias Ellwood (Bournemouth East) (Con): I welcome the Government's efforts today, but Russia's actions move us into a new and more dangerous phase of the crisis and require us to adopt a more robust, long-term approach to defending European security outside NATO's borders. Sanctions alone will not be enough. Indeed, untargeted sanctions may play into Putin's plan to pivot Russia ever closer to China. So would the Prime Minister agree that NATO must not be benched? It was created to uphold European security, and we must now consider how we utilise our formidable hard-power deterrence in responding to Ukraine's calls for further help, not excluding the formation of a potential no-fly zone.

The Prime Minister: My right hon. Friend is absolutely right to place the emphasis he does on NATO, which has proved its value in the last 70 years. It is the pre-eminent, most successful alliance in history. It is a defensive alliance and we are now reinforcing it all across the eastern perimeter. What NATO is not doing—no NATO country is currently considering this—is sending combat troops to Ukraine, and he will understand the reasons for that, but that does not preclude support by NATO countries for Ukraine, including military support.

Ed Davey (Kingston and Surbiton) (LD): It is time to start treating Russia like the rogue state it is. I strongly welcome the Prime Minister's statement in this darkest of moments and recognise the Leader of the Opposition for his strong cross-party support. In that cross-party spirit, I urge the Prime Minister to go further today and commit to the following. First, freeze and begin seizing the assets of every single one of Putin's cronies in the UK and expel these oligarchs from our country as part of a much stronger sanctions regime. Secondly, recognise the existential threat posed by Putin to our NATO allies by immediately cancelling his misguided decision to cut our armed forces by 10,000 troops. Thirdly, no longer tolerate international sporting or cultural events hosted in Russia. Will he confirm what I think he implied in answer to a previous question, that he will push for this year's champions league final to be moved from St Petersburg? President Putin has made a terrible decision. Will the Prime Minister ensure that he pays a terrible price?

The Prime Minister: Yes. Again, I am grateful to the right hon. Member and the Liberal Democrats for their support of the position that we are taking. We are indeed cracking down on ill-gotten gains in London and on the cronies of Vladimir Putin, as I detailed, and there is more to come. On defence spending, the right hon. Member should acknowledge that the recent increase was the biggest since the end of the cold war. On his point about sporting events, as I said, I think it inconceivable that major international football tournaments can take place in Russia after the invasion of a sovereign country.

Dr Julian Lewis (New Forest East) (Con): Does my right hon. Friend accept that too many NATO Governments and political parties have accepted energy

dependence on Putin and financial dependence on dodgy donations from Russian oligarchs? Given that we spent between 4.5% and 5% of GDP on defence throughout the 1980s until the end of the cold war, will he now accept 3% of GDP on defence as a suitable future benchmark?

The Prime Minister: My right hon. Friend is completely right to say that we have failed to wean ourselves off dependence on Russian hydrocarbons since 2014. That has been a tragic mistake by European countries. In the UK, we are in the fortunate position of having only 3% of our gas coming from Russia, but other European countries have learned that they have much more to do. By the way, I salute the decision of the German Chancellor, Olaf Scholz, to cancel Nord Stream 2. It is a brave step by Olaf and the right thing to do. On my right hon. Friend's point about defence spending, actually we are up at 2.4% of GDP—I think that is one of the highest figures in NATO—and we are the second biggest contributor and military power in NATO already.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): America is key in all this. It is the largest economy and has the largest forces in NATO. We were honoured yesterday to have Nancy Pelosi in the Gallery. She is very close to the President of the United States. Did the Prime Minister have a chance to talk to her? It is wonderful to have cross-party unity in the House, but that is not enough. We need the United States to be firm in leadership with us.

The Prime Minister: I did have a chance to talk to Nancy Pelosi and her bipartisan delegation. The sentiments expressed by Members of this House today were very much shared by that delegation of Congressmen and women.

Dr Liam Fox (North Somerset) (Con): I welcome my right hon. Friend's statement. The UK Government have behaved with integrity and honour throughout the crisis. I echo his welcoming of Chancellor Scholz's brave decision today to freeze Nord Stream 2. However, sanctions can only achieve so much when dealing with an undemocratic state and someone like Putin. What we are witnessing is the real-time cannibalisation of a European democratic state bite by bite. Ultimately, we will have either to ensure that Ukraine is given the means to defend itself from future aggression, or give some sort of security guarantee. Otherwise, we will find Russian troops on the borders of Poland, Slovakia, Romania and Hungary, which would be an absolute failure of western policy.

The Prime Minister: My right hon. Friend has recently written and spoken powerfully about the subject and he is completely right that we will have to dig in for the long term to support Ukraine in every way that we can: economically, diplomatically, by the provision of military support in the way that we are already. It will take time, but to return to the point I made in my statement: it is vital that President Putin should fail. I believe that he will fail because the giant facts are against him. He is taking on Ukrainian national feeling and in the end he will not succeed. We will help the Ukrainians to succeed.

Tony Lloyd (Rochdale) (Lab): The Prime Minister will know that part of the calculation of the Kremlin and President Putin is that the west will lose interest, as

unfortunately we have in the past. Can he make it one of his key tasks to ensure that our allies are there for the long run? We have to be there until this is brought to a proper conclusion.

The Prime Minister: The hon. Member is completely right. The biggest threat is apathy and indifference. That is why what my right hon. Friend the Member for Maidenhead (Mrs May) said was so important. This is about not just Ukraine but democracy and the security of many other European countries—indeed, countries around the world. That is what is at stake here today.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I commend my right hon. Friend and his colleagues for their stalwart action so far. The fact is, Mr Lavrov said today that Ukraine does not have a right to sovereignty, so the scale of the ambition is surely clear to anyone who doubted it. I commend what he has done so far but, if we are going to hit them with sanctions, we need to hit them hard and hit them now. They need to feel the pain of the first part of this decision. Secondly, what is the ultimatum to them now? If they move further, are we going to take further action? We are facing the growth of the axis of totalitarian states. China will watch this and look at Taiwan. How we behave now and what we do as an alliance will dictate what happens in the far east.

The Prime Minister: We are hitting them hard now and we will hit them harder in the future. With every day that goes by on which Russia violates the sovereignty and integrity of Ukraine, we will continue to punish Russia. In the end, I do not believe that President Putin has thought this through and I do think that he will fail.

Chris Bryant (Rhondda) (Lab): Putin, as I have been saying for many years, is a bloodthirsty liar. When his ambassador came to the House a couple of weeks ago to talk to the all-party parliamentary group on Russia, he said it was absolutely preposterous that anybody could possibly suggest that any Russian troops would be going into Ukraine. That was a lie—not an inadvertent lie, a deliberate lie. But my anxiety is that we are not going anywhere near far enough today. In 2014, we were spineless in the end. We did not show enough resolve across the west or in the UK. We did not close down the dirty money process coming into the UK. I do not think Abramovich has been sanctioned, incidentally, just to correct the Prime Minister. I do not think he has been sanctioned yet at all. What the former leader of the Conservative party, the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith), just said is really important. Everybody in this House will work closely with the Government to deliver far more effective and secure sanctions if the Prime Minister asks, but they have to be now. We have to close the dirty Russian money down.

The Prime Minister: The Government are already implementing a draconian package of sanctions and we will go further. We are bringing forward the economic crime Bill and the register of beneficial interests. In addition to all the things I have announced today, we will be bringing forward further measures to hit Russian individuals and Russian companies of strategic importance to Russia, stopping Russian companies from raising

[The Prime Minister]

money on London markets and stopping them even trading in pounds and dollars. These will bite, these will hurt and these will make a huge difference. But the House also needs to understand that President Putin's failure will not just be caused by sanctions implemented by us and by our friends. His failure will also result from the determination of the Ukrainians to resist. In that, we will support them.

Alicia Kearns (Rutland and Melton) (Con): I welcome the sanctions and the Government's significant efforts to expose false flag operations, but rouble by rouble we must rid our nation of Putin's dirty money because of his acts overnight and those lives already lost. I urge my right hon. Friend to blacklist all Russian banks, to ban the City and law and accountancy firms from servicing all Russian state firms, to work with Turkey to deny the Russian navy access to the Bosphorus and to ensure we have an atrocity prevention strategy in place for when the paramilitaries go in alongside the peacekeepers.

The Prime Minister: That is exactly why the UK has been out in front of our European friends in dealing with Russian dirty money and in implementing the toughest possible package of sanctions. As I told the House, we will go further.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): These are perilous times for our friends in Ukraine, a democracy within our continent. Short of sending British troops there, we must provide them with every possible support. I am glad the Prime Minister is talking tough and taking a strong stand against continued Russian aggression and imperialism, but when will he stop playing tennis with Russian oligarchs in exchange for money for the Conservative party? Instead of talking about sanctions abroad, when will he finally help to clean up things closer to home, including fully implementing the recommendations of the Russia report?

The Prime Minister: The Government, as I said, are way out in front of our European friends and partners in what we are doing to implement sanctions on Russian entities. That is the right thing and I think that is where the House is today. We will continue to do that. Yes, it is absolutely vital that nobody should contribute to a political party in this country unless they are a UK national. That is what this Government insist upon. But may I just respectfully say—I have been listening to some of the contributions this morning—that we should not allow our indignation and rage at what is happening in Ukraine to spill over into casual Russophobia? I do not want to see us discriminating against Russians as people or simply on the basis of their nationality.

Sir William Cash (Stone) (Con): I commend my right hon. Friend for his prescience and resolve on Ukraine, and also that of the Defence Secretary. Can he confirm that escalating economic sanctions against Russia and fully effective defensive support for Ukraine can never be allowed to fail, given that Russia and President Putin's aggression affects all its European neighbours and has an ever-increasing global reach, including even in places such as Africa?

The Prime Minister: My hon. Friend is completely right. The threat is not just to Europe. The threat from an aggressive and expansionist Russian agenda is everywhere, including in Africa from the Wagner group. It is up to the UK now to push back and that is what we are going to do.

Dame Angela Eagle (Wallasey) (Lab): Will the Prime Minister tell the House now whether the sanctions he has announced will actually put into effect the Intelligence and Security Committee's Russia report, and whether he has full confidence that they will close down the so-called London laundromat, which is laundering dirty Russian money straight through the City?

The Prime Minister: The hon. Lady will have understood from what I said earlier that what we are proposing to do will go further than that report. We are cracking down today on Russian banks and individuals. We are proposing to stop Russian companies even raising money in London and to stop them trading in sterling. That was not recommended by the report she mentions, but that will do real economic damage where it is necessary to do it.

Johnny Mercer (Plymouth, Moor View) (Con): I welcome the Prime Minister's statement and the sanctions against Russia, but does he agree that we cannot continue to relearn the lessons of the past when it comes to drawing a line and being willing to hold that line militarily? He has increased defence spending beyond the level it has been for many years, and I congratulate him on that, but the argument has always been that it must be tailored to meet the threat. As the German Chancellor mentioned this morning, that threat is changing. Will the Prime Minister commit to keeping an eye on defence spending to ensure that if we are asked to do so, we can hold a line and lead NATO in the way that I know he wants to lead it?

The Prime Minister: I thank my hon. Friend very much; he is absolutely right to draw attention to defence spending. It is great that the German Chancellor also now sees the importance of that. For a long time, my hon. Friend and I have been campaigning for Germany to shoulder more of the cost of defence in Europe, and that is a good thing. We have seen massive increases in our defence spending, but we want to make sure it is targeted on things such as tackling cyber and disinformation and all the modern forms of warfare in which Putin specialises.

Stewart Hosie (Dundee East) (SNP): I welcome the sanctions announced today on the five banks and the three named individuals. However, the Prime Minister will be well aware that there are many, many oligarchs who would, at face value, have huge wealth and huge assets in their own names, but that that wealth and those assets are absolutely in the gift of the Russian state and at the beck and call of the Russian state. Will he confirm that the sanctions we will be discussing and agreeing later today intend to ensure that those trusted custodians of Russian state money are able to be sanctioned in the way the three individuals named today are being sanctioned?

The Prime Minister: Yes. We will be able to sanction oligarchs, associates of President Putin and companies of strategic importance to the Kremlin.

Dame Andrea Leadsom (South Northamptonshire) (Con): I really welcome the Prime Minister's statement today and in particular the level of cross-House agreement that we must stand up to Russian aggression. I also welcome the decision by Chancellor Scholz to suspend Nord Stream 2. It always was an incredibly risky project, allowing great exposure to Russian gas. Will my right hon. Friend assure the House that he is already considering what more can be done to protect our allies and friends in eastern Europe from the inevitable consequences of the risky position in which we find ourselves, in the dead of winter, with so much dependence on Russian gas?

The Prime Minister: The answer is that we need to work together to wean ourselves off and end the dependency on Russian gas. The House knows all the things we are doing to support our eastern European allies militarily, but we also need to share technology, particularly in renewables, to allow them to find a different future.

Hilary Benn (Leeds Central) (Lab): Whether the sanctions that the Prime Minister just announced will "hit Russia...hard", as he said this morning, only time will tell, but he also said:

"there is a lot more that we are going to do in the event of an invasion".

The Prime Minister has just told the House that he regards what happened overnight as a renewed invasion of Ukraine. If that is the Government's view, why is he waiting and not imposing full sanctions on Russia now?

The Prime Minister: The right hon. Gentleman makes a couple of points. The House will have heard me on this issue several times; I have been very clear that we wanted to have the biggest possible package of sanctions ready to go in the event of a Russian toe-cap crossing into more sovereign Ukrainian territory. We will also make sure that we implement the waves of sanctions in concert with our allies; that is what we are doing.

Sir Bernard Jenkin (Harwich and North Essex) (Con): While thanking my right hon. Friend for his statement, may I ask him to reflect on the fact that President Putin has already achieved so much of what he set out to achieve? He may have no intention of launching a full-scale invasion of Ukraine, but he has already committed the crimes that deserve the most severe punishment from the free world. What are we going to do to continue to strengthen and unify NATO, which is exactly what he did not want his policy to achieve?

The Prime Minister: My hon. Friend is completely right. What Putin has succeeded in doing is to greatly unify NATO and produce a much bigger commitment by not just the UK but other major European powers to the reinforcement of NATO's eastern frontier. The French are doubling down in Romania. We are doubling down in Estonia. He is going to get much more NATO, not less.

Sir George Howarth (Knowsley) (Lab): For over a decade, Russia has been mounting cyber-attacks on our critical national infrastructure and commercial interests, and there were no consequences. For over a decade, Russia has been swirling dirty money around the City of London, and there were no consequences. In order for Vladimir Putin to understand that he has now gone

too far, he needs to be certain that if sanctions and diplomatic means do not succeed, there will be consequences. Does the right hon. Gentleman agree that those consequences need still to be on the table and that Vladimir Putin needs to understand that they will be used?

The Prime Minister: The right hon. Gentleman is completely right. We need to make it absolutely clear to Russia that as a result of this ill-conceived and disastrous venture in Ukraine, Putin's country will end up, as I said, poorer, more encircled by NATO, engaged in a disastrous conflict with fellow Slavs and as a pariah state. That is what President Putin is willing on his people: a pariah state—that is what it will become.

David Morris (Morecambe and Lunesdale) (Con): There is more at stake than just sanctions; we have various international protocols that have been drafted literally over decades, going back to the last war. Where does this incursion into Ukraine leave us with those protocols and how can we enforce any further measures against any breaches of them?

The Prime Minister: My hon. Friend is completely right, because this action tears up the 1994 Budapest memorandum. It makes an absolute nonsense of the whole Minsk process—the agreement of 2014. That is ripped up, too. International law has been mocked by what President Putin has done, and that is what is at stake: democracy and the rule of law across the world.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Putin last night confirmed that he is a ruthless imperialist posed to destroy Ukraine's sovereignty and self-determination. I, too, am grateful for the briefing from the National Security Adviser. We must now hit Putin where it hurts. As of this morning, BP's website proudly proclaims that it is

"one of the biggest foreign investors in Russia",

owning nearly 20% of Russia's oil giant, Rosneft. Rosneft also has a secondary holding in London. Will the Prime Minister commit to imposing legally mandated divestment by UK firms in Russia, and if not now, when?

The Prime Minister: We have to recognise the lesson of 2014, which is that we have to move away from a dependence on Russian hydrocarbons, and the Government will pursue policies to that end.

Richard Drax (South Dorset) (Con): I congratulate my right hon. Friend and the Defence Secretary on their brilliant work at this very difficult time. Mr Putin is a bully, and bullies recognise only one thing: military force. If we are to fight for the freedom that we claim to hold so dear, we have to pay to defend it. Will my right hon. Friend go back to the EU and NATO, in particular, and say that we have to raise our spending budgets to at least 3% to have more planes, more ships and more men to deter Russia and not to wage war, but to prevent one from happening?

The Prime Minister: My hon. Friend is completely right. The British Government are continually exhorting our European friends to exceed the 2% threshold. It would be a great thing if we could get some of them up to 2%, never mind 3%.

Mr Kevan Jones (North Durham) (Lab): I thank the Prime Minister for his statement and welcome the sanctions against the three individuals that he has named. However, the regulations that he referred to, which will be discussed later today, will be effective only if there is the political will to implement them. Proposed new regulation 6(4) of the Russia (Sanctions) (EU Exit) Regulations 2019 defines an individual as being

“involved in obtaining a benefit from or supporting the Government of Russia”.

The right hon. Member for Dundee East (Stewart Hosie) said—and this is a fact—that oligarchs who are operating in this country with property are supporting the Russian Government financially and politically. Will we bring sanctions against those individuals? The Prime Minister named Abramovich, but he is one of many.

The Prime Minister: Yes. We will target any individual or company of strategic importance to Russia.

Sir Robert Buckland (South Swindon) (Con): I warmly welcome my right hon. Friend's statement and I commend the west for seeing through the Orwellian doublespeak of Putin and his cronies. I agree with my right hon. Friend about a staged approach to sanctions, but now that we have an incursion into Donetsk and Luhansk, is not the next stage to demand an immediate withdrawal by Russia from those regions? If there is not one, further sanctions must follow as a direct consequence.

The Prime Minister: Yes; my right hon. and learned Friend is completely right. There should be an immediate withdrawal by Russia. I wish I could be confident that that will happen, but I am afraid that all the omens are pointing in the opposite direction, and I think that the House will need to consider a much bigger package of sanctions and further measures of all kinds.

Nadia Whittome (Nottingham East) (Lab): The Polish Government have said that they must be prepared to accept up to 1 million refugees displaced by conflict or fleeing for fear of persecution, yet last week, when our Foreign Secretary was asked about accepting Ukrainian refugees, she said that

“we can't make any commitments about any refugees at this stage.”

Amid conflict, we must always put direct support for people first, so will the Government commit today to accepting all Ukrainian refugees who wish to come to the UK as well as those persecuted in Russia for their resistance to war and Putin's regime?

The Prime Minister: I thank the hon. Lady very much for her question. We are helping the countries that are directly vulnerable to an exodus of refugees from Ukraine. We have put another 1,000 troops on stand-by, and this country will continue to do what it has always done and receive those who are fleeing in fear of persecution. That is what we will do.

Jeremy Hunt (South West Surrey) (Con): I strongly support the robust approach that my right hon. Friend has taken, and that indeed he took as Foreign Secretary, but Putin will have predicted and discounted western sanctions long ago. Does my right hon. Friend agree that if we are not to be behind in the diplomatic chess

game, we need to do some things that Putin is not expecting? First, we need a sustained increase in western defence capability and spend. Secondly, we need a sustained reduction in the ability of the Russian state to finance its own armed forces. We need economic and financial sanctions that last not just until the next Government decide to have a reset, but if necessary for as long as this dangerous man remains President of Russia.

The Prime Minister: We have seen a 10% increase in defence spending in this country, and we will sustain that increase in defence spending. My right hon. Friend is absolutely right about the financing of Putin's armed forces; the tragedy is that they have been financed from the proceeds of the sale of Russian oil and gas to western European nations. That is what has got to end.

Caroline Lucas (Brighton, Pavilion) (Green): It is vital to stand in solidarity with Ukraine, in the face of outrageous Russian aggression, with robust, far-reaching sanctions and by closing down London's money laundering machine now. Frankly, sanctions on five banks and three oligarchs are not anywhere near enough.

We must also recognise the extent of Russian meddling in our own politics. Will the Prime Minister stop studiously ignoring the Intelligence and Security Committee's “Russia” report, which found credible evidence of attempts to interfere with the UK's election processes? Will he finally commit to an independent and comprehensive investigation?

The Prime Minister: We are going further than the “Russia” report in implementing sanctions against Russia. Of course we will do anything to root out any foreign influence in any UK election, but I am not aware of any.

Shailesh Vara (North West Cambridgeshire) (Con): I welcome the Prime Minister's statement. Tough sanctions require tough compliance. He said that UK individuals and entities should not have any dealings with the banks and Russian individuals that he mentioned. Will he therefore give this House an assurance that for any UK individuals or institutions who have dealings with such banks and individuals, there will be the severest of penalties?

The Prime Minister: Yes, indeed. Those who abet sanctioned people, help them to evade anti-money laundering provisions or help them to conceal beneficial interests will of course be breaking the law themselves.

Mr Ben Bradshaw (Exeter) (Lab): The three oligarchs whom the Prime Minister has sanctioned today have been sanctioned by the United States for four years. We need to do better than that. Will the Prime Minister re-examine the operation of unexplained wealth orders, not a single one of which has been issued since he became Prime Minister? Will he publish a list of all the Russians who have obtained fast-track visas for residency, as he referred to earlier, by giving cash to the UK Exchequer?

The Prime Minister: The National Crime Agency is pursuing many investigations against people, on unexplained wealth orders. On the right hon. Gentleman's point about visas, we are stopping tier 1 visas from Russia.

Mr Mark Harper (Forest of Dean) (Con): May I press the Prime Minister a little on his answer to the right hon. Member for Leeds Central (Hilary Benn)? I welcome the Prime Minister's statement, its robust approach and his confirmation that what President Putin has done amounts to an invasion of Ukraine, with the necessary measures that follow. In answer to the right hon. Gentleman, however, the Prime Minister seemed to suggest that if what Vladimir Putin has done is limited to these alleged breakaway republics, that is a line, and he has to do something else to trigger further sanctions. Will the Prime Minister confirm that what President Putin has already done means that we will follow up with further and stronger measures even if he does no more?

The Prime Minister: I think that it is inevitable, given what is happening in Ukraine and on the borders of Ukraine, that we will be coming forward with a much bigger package of sanctions. What we have today is an opening barrage that we are doing in common with our friends and allies.

Dan Jarvis (Barnsley Central) (Lab): The Prime Minister's focus will rightly be on the here and now, but when he finds a moment to reflect on the recent failures in Afghanistan and the overwhelmingly clear fact that Russia was, is and will continue to be the greatest threat to peace and security in Europe, I wonder whether he might conclude that the Indo-Pacific tilt, as outlined in the integrated review, will need to be reassessed.

The Prime Minister: I am glad that the hon. Gentleman brings up the integrated review. He will see that very early on in it we say clearly that the Euro-Atlantic theatre is our No. 1 issue of concern.

Mr John Baron (Basildon and Billericay) (Con): I welcome the statement and commend the Prime Minister and his Government on their robust approach, but I hope that he will take away from today's exchanges the strong cross-party support for tougher sanctions now, because they are what is needed. Given the Russian invasion of Ukraine and the fact that we have now entered a new era in the battle for democracy globally, will he now consider a substantial and sustained increase in defence spending, well above the 2.4% that is required to ensure stability and peace in our time? Jaw-jaw, if indeed there is room for it in future, will be more effective with stronger armed forces.

The Prime Minister: I am proud of the very substantial uplift that we have been able to provide in our defence spending. We are the fastest-growing economy in the G7 as a result of the measures that this Government have taken. I am confident that we will be able to continue to give our armed forces the investment that they need.

Sarah Champion (Rotherham) (Lab): Ukraine has been experiencing conflict since 2014, which has created a crisis of 2.9 million people in need. Will the Prime Minister please confirm that the UK stands ready to work with the Government of Ukraine and with international partners in providing humanitarian assistance should the conflict be exacerbated?

The Prime Minister: Yes, of course.

John Howell (Henley) (Con): I welcome my right hon. Friend's statement. I am calling today for the suspension of Russia from the Council of Europe. It cannot be right for a country to have violated the human rights of another member of the Council of Europe so profoundly. Will he support my actions?

The Prime Minister: I thank my hon. Friend for everything that he does in the Council of Europe and for the robust positions that he takes in that body. I wholeheartedly support what he has just said.

Stewart Malcolm McDonald (Glasgow South) (SNP): Russian disinformation networks, including RT—the Leader of Opposition makes the right call on RT's licence—are critical not just to justifying Russia's aggression internationally, but to maintaining it. How much longer will this country continue to pretend that outfits such as RT are some kind of benign equivalent of the World Service or France 24? They are not. It is time they went.

The Prime Minister: I think that the hon. Gentleman's view will be widely shared, although perhaps not by everybody on the Opposition Benches, but we have an independent regulator of the media. We do not live in a country where politicians can close down media outlets. It is up to Ofcom to rule.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): Following on from the question of my hon. Friend the Member for Henley (John Howell), the Prime Minister is well aware that I am a group leader in the Council of Europe. Our group has Ukrainians who are now under threat, and whose families are under threat. They will be on the list that the US has now given, with—dare I say it—intelligence on what will happen to them. We must stand by those democrats. They are good people. I have worked with them for 10 years and have nothing but praise for them. Does the Prime Minister agree that the Council of Europe and other such organisations need to stand up for democracy and stand up for democrats?

The Prime Minister: Yes. I thank my hon. Friend for everything that he is doing in the Council of Europe. We should stand by democratic Ukrainian politicians. We all know them; we have all met them. All they want to do is live in peace and freedom, and we should work together to ensure that they can.

Alison McGovern (Wirral South) (Lab): Many Syrians will know that the continuation of Putin's aggression was not only predictable, but predicted on both sides of this House. Does the Prime Minister agree that, as was true in relation to Syria, the only response to aggression is co-ordinated international resolve matched by every possible action at home, including each of the actions explained by the Leader of the Opposition?

The Prime Minister: I think the lesson from Syria is that it is not possible to will the end of a regime without being willing to will the means. That is what this Government are prepared to do, and if that is what the Leader of the Opposition is now committing Labour to, so much the better.

Mark Pritchard (The Wrekin) (Con): Ukraine is not NATO's border yet; it is not the EU's border yet; but it is democracy's border today. As you will know, Mr Speaker, having met the Ukrainian President some months ago here, the House stands in full solidarity with our counterparts in the Rada and the people of Ukraine, including the people of Donetsk and Luhansk.

The Prime Minister mentioned NATO members. May I ask him what further reassurance and practical support we can give NATO members such as Poland and the Baltic states, which today are just a little bit more fearful?

The Prime Minister: My hon. Friend is right to draw attention to the Baltic states and Poland. As he knows, in Poland we have increased our support with another 350 Royal Marines from 45 Commando, and in Estonia we have doubled our presence in Tapa to 2,000. We are doing more in the high north, as well as in Romania and elsewhere, and we will continue to keep all these projects under constant review, but we and other European countries are stiffening the eastern frontier of NATO.

Layla Moran (Oxford West and Abingdon) (LD): Five banks and three of Putin's cronies are being sanctioned, but two of those have already been sanctioned by the United States. This is not us working in concert—this is us already behind. The Prime Minister has said that there will be more sanctions to come, so can he be clear with us: what is the trigger?

The Prime Minister: I think it inevitable that there will be more sanctions to come, because I am afraid I think it inevitable that Vladimir Putin will continue his flagrant violation of international law. What we are doing today is the first barrage that we are orchestrating in concert with our friends and partners, while keeping something in reserve, because there must still be the possibility that we can avert a hideous outbreak of bloodshed in Ukraine.

Mr Peter Bone (Wellingborough) (Con): The Prime Minister is right to say that Ukraine has been invaded by Russia. I think that Members on both sides of the House were expecting stronger sanctions to be announced today, and I think that perhaps that is what the Government wanted to do, but the Prime Minister said that he had to move in lockstep with our other allies. Was there resistance from other allies to the introduction of full sanctions today?

The Prime Minister: Different countries have different priorities and considerations. It is considerably easier for us to impose economic sanctions, and it is difficult for some other countries to impose sanctions to block hydrocarbons, but I am very pleased by the progress that the German Government have made.

Liam Byrne (Birmingham, Hodge Hill) (Lab): This is a day of infamy in Russian history, but the truth is that we are here today because our strategy of deterrence has failed. President Putin has built an arsenal of kleptocracy—he perverts history for his pretexts, and he perverts science for his weapons—but the risk is that today's slap on the wrist will not deter him from doing anything further. Apart from the Magnitsky sanctions, sanctions for economic crimes have not been proposed

since 2014; the oligarchs listed have been sanctioned by the Americans since 2018; and missing from the list were VTB, VEB, Alfa and Sberbank. The Prime Minister has to recognise that pulling our punches does not work with President Putin. We need to punch harder, and if we are not prepared to send bombers, we should at least take on the bankers.

The Prime Minister: We certainly are taking on the bankers. We are hitting Russia's financial interests, and we will continue to hit them harder.

Michael Fabricant (Lichfield) (Con): Eighty-five years ago, a predecessor of the Prime Minister talked about "a quarrel in a faraway country between people of whom we know nothing". Does not the concordance between both sides of the House today demonstrate that that is not the case when it comes to Ukraine?

The Prime Minister: My hon. Friend is so right. I think that everyone who knows people in the Ukrainian community in Britain, which is so large and so active and makes such a fantastic contribution to our life, feels a huge amount of sympathy for the people of Ukraine today. This is a country with which we have familiarity and which we understand. It is a country that is a democracy and shares our values. That is what is at stake today.

Jim Shannon (Strangford) (DUP): I thank the Prime Minister for his statement, and for all he has said today. As we have woken to the disturbing news of Russian aggression, does he not agree that economic sanctions, while welcome, will not be enough? Is he prepared to underline the steps that have been taken with NATO allies to assess the situation and to stress that membership of NATO is not a prerequisite for us in the United Kingdom of Great Britain and Northern Ireland to support democracy in whatever way is deemed necessary?

The Prime Minister: The hon. Gentleman is right: it is up to the people of Ukraine to decide what alliance they aspire to join. NATO's open-door policy should remain absolutely inviolate.

Robert Halfon (Harlow) (Con): I strongly support the Government's approach. As my hon. Friend the Member for Lichfield (Michael Fabricant) said, this is not a faraway country of which we know nothing. However, may I ask what assessment the Government have made of the impact of the war on energy prices and oil prices, and the subsequent impact on people at home? What measures can they introduce to mitigate those factors, given that, as we know, the war is likely to increase the cost of living for ordinary folk throughout the country?

The Prime Minister: My right hon. Friend is right: one of the risks of Putin's venture is that there could be a spike in gas and oil prices. We in the Government will do everything we can to mitigate that and to help the people of this country, but it is one of the reasons why the whole of western Europe must end its dependence on Russian oil and gas.

Dr Rupa Huq (Ealing Central and Acton) (Lab): May I ask the Prime Minister to place on record his respect and admiration for those brave men and women, the

OSCE monitors who for eight years have been on the border with Ukraine and who now face an impossible position, with a democratic member state under attack from a fellow member state? May I also ask whether he can predict where we will be by July, when we speak as a member of the UK delegation to the OSCE Parliamentary Assembly? We will be the host nation at the big jamboree in Birmingham. Two of the Russian delegates are on our sanctions list. If not now, when? The Prime Minister needs to act.

The Prime Minister: I thank the hon. Lady very much for what she is doing with the OSCE and the monitoring operation. I have met members of the OSCE monitoring unit, and I think they do an amazing job. Sadly, because of the threat and the duty of care that we have to them, we have asked them to step back temporarily. Let us hope we are in a better position by July—let us hope—but at the moment things are not looking good.

Stephen Crabb (Preseli Pembrokeshire) (Con): I strongly welcome my right hon. Friend's resolute and clear-sighted statement. Does he agree that one of the things that Putin is looking for at the moment is any hint or sign of division or variance among members of the western alliance, and that it is therefore important right now to invest the time to go the extra mile and ensure that our allies, across Europe and including America, speak with one voice in the same way that we have spoken with one voice from the House this afternoon?

The Prime Minister: I thank my right hon. Friend for what he has said. There has been a lot of commentary today about whether we should have gone further and gone with the whole package of sanctions unilaterally today, but one of the reasons we wanted to work in lockstep with our friends was to reinforce that message of unity and resolve in the west.

Stephen Farry (North Down) (Alliance): I do think it is the majority view in the House that the Government should be going further today on the level of sanctions, but may I press the Prime Minister on the issue of refugees? In the event of further Russian aggression in Ukraine, we are likely to see a surge. Can the Prime Minister assure me that that will not be left purely to the neighbouring countries of eastern Europe and that there will be a genuine effort throughout Europe, including the UK, to provide assistance—including assistance here—and that there is proper contingency planning in Whitehall as well as consultation with our allies?

The Prime Minister: The best way to avoid a refugee crisis is for President Putin to de-escalate, and the best way to get him to de-escalate is for the west to be united. That is why we are implementing the package of sanctions that I have described, together with our friends.

Mr John Whittingdale (Maldon) (Con): Is my right hon. Friend aware that just eight years ago this month 100 Ukrainian citizens died under sniper fire in the Maidan protest against the pro-Russian corrupt Administration of Viktor Yanukovich? Does he agree that the courage and the willingness of Ukrainians to give their lives in the fight for freedom and democracy in their country demonstrates that any further invasion is bound to lead to horrendous bloodshed on both sides?

The Prime Minister: My right hon. Friend is right. Since those demonstrations, 14,000 Ukrainians have died fighting for their freedom. He knows that country well, and he knows that it will continue to defend itself and fight for liberty.

Mr Clive Betts (Sheffield South East) (Lab): The simple truth is that whatever else Putin does in the next few days he has already invaded another sovereign country. The Prime Minister has spoken about this being a first round of sanctions with potentially more to follow. Can we be absolutely clear that that further round of sanctions is not dependent on Putin going into western Ukraine and attacking there, that it is simply a matter of trying to co-ordinate with our allies on this and that we can expect that further round of sanctions in the next few days?

The Prime Minister: Just to be absolutely clear, I know that the House wants us to hit Putin with absolutely everything that we have today, but what we want to do is prioritise unity among the alliance and among our friends and work in lockstep with them. There will be more to come.

Craig Whittaker (Calder Valley) (Con): I welcome the statement from my right hon. Friend, because sanctions from countries all around the world will without question hurt Russia. However, given the events overnight, Russia appears to feel that this is a price worth paying. Will my right hon. Friend confirm that, with increased deployments to Poland, Estonia and Cyprus, we will do whatever is necessary—including militarily, if needed—to support NATO and our friends in Ukraine as this crisis develops?

The Prime Minister: Yes of course we will, because what is at stake is not just the future of Ukraine but our principles and our values.

Mr Toby Perkins (Chesterfield) (Lab): I come back to the questions asked by my hon. Friend the Member for Sheffield South East (Mr Betts) and the right hon. and learned Member for South Swindon (Sir Robert Buckland). The Prime Minister has been resolute about how wrong President Putin is in the actions he has taken, but it feels as though the message President Putin will be hearing from us is that the incursions that have gone on so far have had a proportionate response and that nothing else will happen unless he goes further. The Prime Minister is already speaking about an expectation that he will go further. Should we not instead say that further sanctions will be coming unless we get a withdrawal of the invasions that have already taken place? Should not that be the message that he takes from this House, given that there is clearly widespread support for it?

The Prime Minister: Of course. I want to be clear that the reason we are doing it in this way is because I think that the unity of the west is the priority.

Jason McCartney (Colne Valley) (Con): I am proud to represent a vibrant Ukrainian community across Huddersfield and my own constituency. I know that, as we speak here today, they will be deeply fearful for the safety and democratic freedoms of their friends and families back in Ukraine. Will the Prime Minister commit to unleashing the toughest possible sanctions on Russia and continue to support our NATO allies militarily in eastern Europe?

The Prime Minister: Yes, I can certainly make that commitment, and I know that that has the support of the whole House.

Cat Smith (Lancaster and Fleetwood) (Lab): The Prime Minister is right when he says that democracy is at stake, including our democracy. The Intelligence and Security Committee's Russia report sets out the challenge clearly. Can I ask the Prime Minister specifically what he proposes to bring forward to ensure that Putin's dirty money is not filling the pockets of UK political parties?

The Prime Minister: As the hon. Lady knows, you cannot give money to UK political parties if you are a foreign national.

Mike Wood (Dudley South) (Con): Without the courage and ambition of Franklin Roosevelt's lend-lease programme, Britain and the Soviet Union might not have been able to resist Nazi aggression in 1941. Can the Ukrainian people depend on the United Kingdom and our allies in Europe and north America to provide similar extensive support so that they might be able to resist further Russian aggression?

The Prime Minister: Yes, and in every conversation I have had in the last few weeks and months about Ukraine, we have focused on this issue of supporting the Ukrainian economy. One of the reasons that Volodymyr Zelensky has been so reluctant to accept the idea of even the possibility of an invasion is precisely because of the threat to Ukrainian economic stability. We must shore up that country, and that is why I announced a further \$500 million of support today from the UK Government.

Tulip Siddiq (Hampstead and Kilburn) (Lab): I thank the Foreign Office and the Minister for Europe and North America for helping me last week when my constituents Alice Wood and Ben Garratt were stuck in Ukraine and needed to get back with their baby son Raphael and were issued with emergency travel documents. Following on from that, can I ask the Prime Minister whether he has made an assessment of the safety of British nationals who are stuck in Ukraine and whether he will relax immigration laws and expedite visa applications to ensure that they can return home safely if they wish to do so?

The Prime Minister: I am glad that the FCDO was able to help out. We have a dedicated helpline for family members and anybody who is concerned. I think there are about 1,100 currently still in Ukraine, and there is a helpline that people should ring. I will read out the number. It is 01908 516666. There you go!

Alun Cairns (Vale of Glamorgan) (Con): I pay tribute to the Prime Minister for the robust steps he has taken and for the co-ordinating role that he is playing across the western world. Does he agree that last night's events should be seen in the context of Crimea, Salisbury and cyber-attacks as well as of the threat of gas supply restrictions? Can he reassure us that he will continue to play a co-ordinating role to ensure that the western world is absolutely as one in its response?

The Prime Minister: Absolutely. We already have a huge range of sanctions. I think that there are 275 Russian individuals who are already sanctioned, including many of those who were responsible for or linked with the Salisbury poisonings, the illegal activity in Chechnya, the poisoning of Alexei Navalny and other episodes.

Christian Matheson (City of Chester) (Lab): I welcome the Prime Minister's statement, but Russia is a mafia state and Putin is the godfather—the capo di tutti i capi. He will not change until his capi—his under-bosses—force him to change, and they will not do that until we pull the financial rug from under their feet. We are in a unique position to do that. If the Prime Minister is not willing to put further sanctions at the forefront now, will he at least confirm to the House that he has asked the relevant agencies to ensure that we are bang up to date on all Russian assets, not just dirty ones, so that we can put those sanctions on as soon as he decides to do so?

The Prime Minister: Yes we are, and we are in a position to impose considerable economic cost on Putin. The question is whether he will care enough about it, because he is plainly in an illogical and irrational frame of mind.

Nickie Aiken (Cities of London and Westminster) (Con): I welcome my right hon. Friend's statement, and his and this Government's leadership in defending democracy and freedom and standing by our Ukrainian allies, showing what global Britain is all about. Sadly, my constituency is home to too much Russian dirty money and I welcome the further sanctions. As the children of Ukraine are set to suffer in fear of war, will my right hon. Friend consider whether the children of Russians connected to the Kremlin, who may be in schools in this country, should be sent home to Russia and not allowed to benefit from an education in this country?

The Prime Minister: I know that my hon. Friend shares my concern about beneficial ownership of properties in London, which we will now be exposing. I am grateful for her support for that. When it comes to children, maybe I am not quite there. The sins of the fathers—or indeed the mothers—should not be visited on their children, in my view.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): There is increasing nervousness about the risk of cyber-attacks from hostile states, particularly on our vital public services. Can the Prime Minister outline any additional protections the Government will put in place to ensure that our public services do not fall victim to Russian aggression?

The Prime Minister: The hon. Lady is completely right. One of the things that this House will have to consider in the weeks ahead, as we continue to lead the world in our support for Ukraine, is the blowback for this country. We must be absolutely frank that there will be cyber-attacks. We must understand that and be prepared for it, which is why we are investing massively in cyber-preparedness, with another £2.6 billion to help fortify our defences. As the House knows, there are many vulnerable parts of our system, and we must protect them.

Fay Jones (Brecon and Radnorshire) (Con): I commend the Prime Minister's statement. There are significant numbers of UK armed forces personnel in Estonia as part of Operation Cabrit, and I know that everyone in this House is enormously grateful to them for their work. I am reassured that we have already increased our forward presence in Estonia, but will my right hon. Friend confirm that he will continue to give our armed forces all the resource they might need over the coming weeks and months?

The Prime Minister: Yes, we certainly will. It was very good to talk to Prime Minister Kallas of Estonia the other day about Operation Cabrit and the UK troops at Tapa. She warmly welcomes them and the increase in their numbers, and she says that they are impeccably behaved—they are now, anyway.

Several hon. Members *rose*—

Mr Speaker: This is the final question.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Three weeks ago, the Prime Minister said that sanctions would

“come down like a steel trap in the event of the first Russian toecap crossing into more sovereign Ukrainian territory.”

I wonder whether he will answer me and the First Minister of Scotland, who believe that it appears that they will not. If this is the first tranche, there need to be further tranches with much tougher action soon.

The Prime Minister: I am grateful to the hon. Gentleman for accurately reciting what I said, because that is what we are doing. We are now sanctioning them very heavily for what they are doing in Donbas, where Russian activity has long been present. Together with our friends and partners, we are going to bring forward further measures that I think will hit the Russian economy very hard. I understand the House's desire to do everything on day one, but we should make sure that we work in unison with our friends and partners, because what Putin wants above all is to divide us, and in that he must not succeed.

Points of Order

2.2 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. I hope that the Prime Minister will stay for a brief moment, as this point of order relates to what he said about Roman Abramovich. *[Interruption.]* I do not think that it is a courtesy to the House when the Prime Minister leaves in that way.

The Prime Minister said that Roman Abramovich has been sanctioned. As I understand it, that is not true. I am sure that the Prime Minister was completely inadvertent in giving a false indication, but it would be helpful if he were able to correct the record. I wonder, Mr Speaker, whether you can make sure that he either does so or puts a letter in the Library to correct the record. These are important moments of fact.

Mr Speaker: As the hon. Gentleman knows, I am not responsible for the answers given by Ministers. Those sitting on the Government Front Bench have heard his point of order. If a correction is necessary, I am sure that it will be forthcoming, ASAP.

Rob Roberts (Delyn) (Ind): On a point of order, Mr Speaker. On 11 February, the hon. Member for Cardiff Central (Jo Stevens) paid a visit to my constituency. Try as I might, I looked for notification but received none. I wonder whether you might be able to give some guidance on the appropriate protocol for such occasions. It is worth pointing out that, in the last couple of moments, I have just received an email from the hon. Lady to apologise for the administrative error. I wonder whether hon. Members might benefit from a reiteration of the proper protocol.

Mr Speaker: I think the problem has been sorted, for once, which makes my life so much easier. What I will say to hon. Members is that if you visit another Member's constituency, please inform them of your visit.

BILL PRESENTED

HOUSE OF LORDS (RETIREMENT AGE) BILL

Presentation and First Reading (Standing Order No. 57)

Jerome Mayhew presented a Bill to introduce a retirement age of 75 for members of the House of Lords; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 18 March, and to be printed (Bill 256).

Commonwealth Parliamentary Association (Status)

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

2.4 pm

Mr Ian Liddell-Grainger (Bridgwater and West Somerset)
(Con): I beg to move,

That leave be given to bring in a Bill to provide for corporate status of and for certain privileges and immunities to be accorded to the international inter-parliamentary organisation of national and sub-national legislatures of Commonwealth countries known as the Commonwealth Parliamentary Association and to its Secretary-General; and for connected purposes.

I declare an interest as chairman of the UK branch of the Commonwealth Parliamentary Association and as international vice-chairman and acting chairman.

I have been a Member of this House for 21 years. In all that time I cannot recall many ten-minute rule Bills ever becoming law, but I sincerely hope that this one will be different, and for several very good reasons. For a start, the Bill would cost the taxpayer absolutely nothing. In fact, it would probably save public money because the CPA and its London-based international operations already cost very little to run, as Mr Speaker knows.

The contributions of every participating Commonwealth Parliament keep the wheels turning. All 180 branches across the globe chip in with subscriptions that help to finance the work we do, and this work is of the utmost importance as it promotes parliamentary democracy—that is rather what we have just been talking about—and good governance. The motive is to improve the way decisions are taken throughout the Commonwealth.

The CPA runs an extensive range of programmes and activities. We run online courses, workshops, webinars and conferences, as well as publications, toolkits and handbooks. Our values are Commonwealth-centred and seek to uphold the highest principles that the Commonwealth promotes. We are here to mentor and to teach. We offer world-class research and library facilities, and our ethos is to improve and nurture proper understanding of the way things can be done within a parliamentary system.

We are in business to build a wide-ranging perception of parliamentary democracy that recognises every national context and is totally non-partisan and non-exclusive. Through its many different programmes, the CPA sets out to capture the diverse experience of parliamentary democracies across the Commonwealth.

We are talking about a community of 2.4 billion people all over the planet. The Parliaments they elect are frequently young, so the CPA's focus and ethos seeks to engage young people in a positive way. We have encouraged the sharing of ideas for 110 years, and we recognise the diverse challenges that many Commonwealth jurisdictions face. All our work seeks to strengthen what individual member Parliaments can do. Above all, we are in the business of dialogue at national, regional and pan-Commonwealth levels.

For that reason, the nature of the CPA's status in law really matters. Increasingly, we operate rather like a non-governmental organisation. Our voice is listened to at the highest levels throughout the Commonwealth, but there remains one legal peculiarity that the Bill seeks to cure. By a curious quirk of tradition, the CPA

still qualifies as a charity. When the organisation was founded 110 years ago, it was granted charitable status. Perhaps there was a compelling reason at the time, but as the years have passed and the old empire gave way to the new, young Commonwealth, a growing mood of concern began to spread among CPA members about what it means to be a charity.

For example, questions have been raised about whether it is right that taxpayers' money from low and middle-income countries should continue to be sent to a UK charity. That is perhaps an arguable point, but it is important. In the spirit of doing what the Commonwealth tries so hard to do, it would be much better if any such argument were removed. Achieving that requires a legal change, with a Bill such as this being adopted and put on the statute book.

I do not believe there is any reason to doubt that such a measure would command widespread, if not overwhelming, support in this House and the other place. The Bill is simple and straightforward, and I believe it enjoys the support of both Houses. The CPA seeks a legal status in UK law that is similar to the one enjoyed by comparable organisations such as the Parliamentary Assembly of La Francophonie. As a group of parliamentary nations that share the French language—a long list of places such as Belgium, Canada, Belize and Cambodia—it is a mini Gallic Commonwealth. Such simple legal recognition would enable the CPA to have yet more positive influence. I do not think that is much to ask.

I am delighted that the former Lord Speaker, Baroness D'Souza, has already introduced a similar measure in the other place. The enthusiasm for change unites all the parties throughout our Parliament. Mr Speaker has been an enormous advocate for what we are trying to achieve and has been helpful in every way.

This would also be a fitting tribute to the patron of the Commonwealth Parliamentary Association, Her Majesty the Queen. If ever such a measure were to be passed, it should be in this year of her jubilee. There is no greater supporter of Commonwealth ideals than the monarch. The respect in which she is held and the influence for good that she continues to wield are vital to the ongoing way the Commonwealth works.

I pay tribute to the Foreign Secretary, and to Ministers and shadow Ministers, for the work they have done to help us in this matter. Of course, there are a lot of things we need to do. Yesterday, I received a letter from the Minister who looks after the Commonwealth, which I will need to read carefully and digest as to any ramifications and things that we may have to address. I know that the Government are listening, and I hope that they will find a time and opportunity suitable to carry this Bill forward, so that we can change this situation. I therefore commend the Bill to the House.

Question put and agreed to.

Ordered,

That Mr Ian Liddell-Grainger, Julie Elliott, Andrew Rosindell, David Mundell, Bob Blackman, Mrs Maria Miller, Harriett Baldwin, Theo Clarke, Steve Brine, Sarah Champion, Chris Elmore and Dr Lisa Cameron present the Bill.

Mr Ian Liddell-Grainger accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 25 February, and to be printed (Bill 257).

Charities Bill [Lords]

Bill, as amended in the Public Bill Committee, considered.

Third Reading

Queen's and Prince of Wales's consent signified.

2.13 pm

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): I beg to move, That the Bill be now read the Third time.

This Bill will increase efficiency in the charities sector by reducing unnecessary administration and bureaucracy, therefore enabling more funds to be used for charitable purposes. It will simplify a number of processes and promote consistency in the law by implementing the majority of the recommendations set out in the Law Commission's "Technical Issues in Charity Law" report.

There is no doubt that the work of charities touches almost every aspect of British civic life. They inspire, mobilise and unite people to help others, including the most vulnerable in society. Not only do charities provide us with opportunities to volunteer and donate to important causes, but they publish meaningful research to increase awareness of the challenges in society. There is no greater example of the strength of community than that to be found in our great network of charities—we have more than 165,000 registered in England and Wales alone. That is why it is so important for us to recognise some of the challenges faced by charities and bring in regulatory change that will enable them to continue to make a difference.

As charity law can be complex and bureaucratic, it often means that charities incur expensive legal costs, in turn giving them fewer resources and less time to focus on their charitable purposes. The Bill strikes a careful balance between tackling administrative frustrations and maintaining sufficient safeguards to protect charities and their donors. The Bill makes a number of important changes that will be of benefit to the sector. For example, it will simplify the process by which charities amend their governing documents and make it easier for charities to repurpose funds from a failed fundraising appeal.

The Bill also provides trustees with tools to make better use of their permanent endowment, and removes administrative burdens associated with land transactions and mergers. Trustees will also be able to apply for advanced assurance from the courts that the costs of litigation can be paid from a charity's funds, rather than a charity being discouraged from seeking legal action because the costs would be borne by the trustees personally.

The Bill contains other measures, including some about changes to the names of charities. All these changes are balanced against the need for important safeguards, such as Charity Commission oversight, and will save charities the time and resources involved in having to negotiate through overly burdensome regulation. That is why I am pleased that this important Bill is completing its passage today.

I also recognise the need to give charities a clear timeline, alongside a staggered implementation period, so they are not overburdened by several changes at once. That is why we aim to phase in reforms over a 12 to 18-month period, to ensure that charities have time to prepare for implementation and can fully benefit from the changes. A phased implementation approach

is also important for the Charity Commission. We will publish a more detailed implementation plan following Royal Assent. The aim of the Bill is to help charities carry out their purpose even more effectively.

I am honoured to have taken the Bill forward based on the proposals from the Law Commission, to which we are grateful. I must also extend my gratitude to my noble Friend Lord Hodgson of Astley Abbotts and to all those who have contributed to the Bill's formation. That includes all of the leading experts who have provided input on the legal reforms. The Bill has been rigorously scrutinised and is the product of careful consideration and consultation. I would like to thank all right hon. and hon. Members for their contributions, support and interest in the Bill. I am also thankful to the members of the Second Reading Committee and the Public Bill Committee, who provided support and scrutiny, and in particular the Chairs, my hon. Friend the Member for South West Devon (Sir Gary Streeter) and the hon. Member for Halton (Derek Twigg). I am also grateful to the Opposition, across both Houses, for giving the Bill due consideration and scrutiny, and I am glad we have support from the charities sector, which has been reflected well across the House.

Finally, I wish to put on record my thanks to all those who have carried out exceptional work to enable the Bill to reach its final stages: colleagues from the Law Commission, the Charity Commission, parliamentary counsel, the Department for Digital, Culture, Media and Sport's policy and legal teams, my private office, and all the parliamentary staff and co-ordinators. I now look forward to seeing the Bill's successful implementation. I commend the Bill to the House.

2.17 pm

Jeff Smith (Manchester, Withington) (Lab): I thank the Minister for his introduction. The Opposition are proud to support our charity sector, which does such fantastic work for individuals, communities and society. The contribution of charities to our society could not have been shown more clearly than during the coronavirus pandemic, as organisations and volunteers have done fantastic work to support vulnerable people around the country. We owe it to them to provide a legal and operational framework that is clear, efficient and manageable, especially for the large number of small charities with limited staff and resources, and that allows them to concentrate not on bureaucratic technicalities but on doing their work. During the passage of this Bill there has been agreement on all sides that the new measures detailed in it are important progress towards allowing charities to amend the ways they operate and making it easier for them to achieve their core purpose.

The Bill seeks to make a series of changes that will make it easier for charities to navigate the law and carry out their functions effectively, while retaining important safeguards. So the Opposition are pleased today to support the Bill, which takes on board the large majority of recommendations put forward in the Law Commission's report and makes a number of significant changes for charities. It reduces red tape, including by making it easier for charities to amend their governing documents, such as through small changes to charitable purposes; and by making it easier to dispose of land efficiently, to use the resources of the charity more effectively and to avoid disputes over whether a trustee has been correctly appointed or elected.

[Jeff Smith]

I do not intend to detain the House for long, but I do wish to thank the Law Commission and the charity sector for their great work on the Bill. I thank the Lords for their careful scrutiny of what is quite a technical and involved Bill: they did a great job of scrutinising the measures in the other place. I am also grateful for the Minister's engagement and particularly for his writing to me yesterday to set out an indicative timescale for the implementation of the measures in the Bill. I look forward to more detail on the implementation plan as it comes forward. With that, I am happy to offer the Opposition's support on Third Reading.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.

PUBLIC SERVICE PENSIONS AND JUDICIAL OFFICES BILL [LORDS] (PROGRAMME) (NO. 2)

Ordered,

That the Order of 5 January 2022 (Public Service Pensions and Judicial Offices Bill [Lords] (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.—
(*Mr Simon Clarke.*)

Public Service Pensions and Judicial Offices Bill [Lords]

Consideration of Bill, as amended in the Public Bill Committee

New Clause 7

PARLIAMENTARY PROCEDURE FOR JUDICIAL SCHEMES: TRANSITORY PROVISION

“(1) This section applies to scheme regulations for a scheme relating to the judiciary that are made at any time within the period of one month beginning with the day on which this Act is passed.

(2) A statutory instrument containing scheme regulations to which this section applies must be laid before Parliament after being made.

(3) Regulations contained in a statutory instrument laid before Parliament under subsection (2) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of each House of Parliament.

(4) In calculating the period of 28 days, no account is to be taken of any whole days that fall within a period during which—

- (a) Parliament is dissolved or prorogued, or
- (b) either House of Parliament is adjourned for more than four days.

(5) If regulations cease to have effect as a result of subsection (3), that does not—

- (a) affect the validity of anything previously done under the regulations, or
- (b) prevent the making of new regulations.

(6) If regulations otherwise subject to the negative procedure are combined with scheme regulations to which this section applies, the combined regulations are subject to the procedure set out in this section.

(7) Section 24 of PSPA 2013 (other procedure) does not apply to scheme regulations to which this section applies.

(8) In this section, the following expressions have the same meaning as in PSPA 2013—

- ‘the judiciary’ (see paragraph 2 of Schedule 1 to that Act);
- ‘negative procedure’ (see section 38(3) of that Act);
- ‘scheme’ (see section 37 of that Act);
- ‘scheme regulations’ (see section 1(4) of that Act).”—
(*Mr Simon Clarke.*)

This new clause disapplies the affirmative procedure in relation to judicial scheme regulations made within one month of Royal Assent of the Bill, and provides for those regulations (and other regulations in the same statutory instrument) to be subject to the made-affirmative procedure.

Brought up, and read the First time.

2.21 pm

The Chief Secretary to the Treasury (Mr Simon Clarke):
I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Dame Rosie Winterton):
With this it will be convenient to discuss the following:

New clause 1—*Guidance to public service pension scheme managers on investment decisions*—

“(1) The Public Service Pensions Act 2013 is amended in accordance with subsection (2).

(2) In schedule 3, paragraph 12(a), at end insert ‘including guidance or directions on investment decisions which it is not proper for the scheme manager to make in light of UK foreign and defence policy’.”

This new clause would enable the Secretary of State to issue guidance to those authorities that administer public sector pension schemes, including the local government pension scheme, that they may not make investment decisions that conflict with the UK's foreign and defence policy.

New clause 2—Investment decisions in funded schemes—

“(1) Section 3 of the Public Service Pensions Act 2013 is amended in accordance with subsection (2).

(2) After sub-paragraph (3) insert—

“(3A) Scheme regulations must require an authority's investment strategy to ensure that investment decisions are consistent with the Glasgow Climate Pact 2021.”

This new clause would require public sector pensions schemes to ensure future investments are consistent with the climate science, ambitions and timeframes agreed at the COP26 UN Climate Summit.

New clause 3—Investment decisions in funded schemes: fossil fuel assets—

“(1) Section 3 of the Public Service Pensions Act 2013 is amended in accordance with subsection (2).

(2) After sub-paragraph (3) insert—

“(3A) Scheme regulations must require the fund to have removed all investment in fossil fuel assets by 2030.”

This new clause would require public sector pensions schemes to disinvest from fossil fuels by 2030, by removing fossil fuel assets from their investment portfolios, securities transactions and balance sheets.

New clause 4—Review of the impact of this Act on fairness—

“(1) The Chancellor of the Exchequer must commission a review of the impact of this Act on fairness to members in receipt of pensions to which this Part applies.

(2) The Chancellor of the Exchequer must prepare and publish a report on this review within six months of the passage of this Act and must lay a copy of the report before Parliament.

(3) The review under subsection (1) must include an assessment of the impact of the provisions of this Act on women.

(4) The review under subsection (1) must make recommendations as to whether further legislation should be brought forward by the Government to close the public service pensions gap between men and women.”

This new clause would require the Government to report on the impact of this Part on fairness, especially with regards to women.

New clause 5—Guidance—

“(1) Within six months of the passage of this Act the Chancellor of the Exchequer must lay before Parliament a copy of guidance to members of pension schemes affected by this Part.

(2) The purpose of the guidance under subsection (1) is to ensure members are able to make informed choices about their pensions.

(3) The Government must provide a free helpline or online service which members can use to receive further guidance about their pension.

(4) Within six months of the day on which the guidance is published the Government must lay before Parliament a report on its effectiveness in achieving the purpose in subsection (2).”

This new clause would require the Government to publish guidance to members of pension schemes affected by this Part and allows for provision of a helpline or online service to offer further assistance.

New clause 6—Impact on the recruitment of new holders of judicial offices—

“(1) Within 12 months of the passage of this Act the Government must commission an evaluation of the impact of this Act on recruitment of new holders of judicial offices and on the diversity of the judiciary.

(2) The Chancellor of the Exchequer must prepare and publish a report on this evaluation and must lay a copy of the report before Parliament.”

This new clause would require the Government to publish an annual update on progress on recruiting new members to the judiciary and increasing diversity.

New clause 8—Compensation of losses incurred by closure of legacy schemes—

“(1) The Chancellor of the Exchequer must review how a loss incurred by a member with remediable service who is transferred to the new scheme under section 80 and—

(a) reaches the required number of years of pensionable service to retire with full benefits under the legacy scheme, and

(b) is unable to access the full value of those benefits because they must continue to work to retire with full benefits under the new scheme

could be compensated.

(2) The Chancellor of the Exchequer must prepare and publish a report on this review within two months of the passage of this Act and must lay a copy of the report before Parliament.”

This new clause would require the Government to review how losses arising from the “pension trap” could be compensated, and to report on the review within two months of the passage of the Act.

New clause 9—Equality impact analysis of provisions of this Act—

“(1) The Chancellor of the Exchequer must review the equality impact of the provisions of this Act in accordance with this section and lay a report of that review before the House of Commons within six months of the passage of this Act.

(2) A review under this section must consider the impact of those provisions on—

(a) people with protected characteristics (within the meaning of the Equality Act 2010), and

(b) the Government's compliance with the public sector equality duty under section 149 of the Equality Act 2010.

(3) A review under this section must include a separate analysis of each separate measure in the Act, and must also consider the cumulative impact of the Act as a whole.”

This new clause would require the Government to review the equality impact of the provisions of this Act, and to report on the review within six months of the passage of the Act.

New clause 10—Report on losses incurred by closure of legacy schemes—

“The Chancellor of the Exchequer must consult with the relevant trade unions and other bodies representing pension scheme members and report within 6 months of the passage of this Act on the options available for addressing in a non-discriminatory manner any loss incurred by a member with remediable service who is transferred to the new scheme under section 80 and—

(a) reaches the required number of years of pensionable service to retire with full benefits under the legacy scheme, but

(b) is unable to access the full value of those benefits because they must continue to work to retire with full benefits under the new scheme.”

This new clause would require the Government to consult with the trade unions and other bodies representing members of the pension schemes who are affected by the “pensions trap” and to report on the options available to address this issue without causing discrimination.

Government amendments 1 to 17.

Amendment 24, in clause 92, page 67, line 39, leave out paragraph (c) and insert—

“(c) leave out paragraph (c).”

This amendment removes from the calculation of the employer cost cap the effect of changes in the cost of connected schemes, including the cost of rectifying the unlawful discrimination.

Amendment 22, page 67, line 39, leave out paragraphs (c) and (d).

This amendment removes from the Bill the amendment to Section 12 of the Public Service Pensions Act 2013 that would allow Treasury directions to determine whether the cost control mechanism would operate.

Amendment 23, page 70, line 27, leave out clause 93.

Government amendments 18 to 21.

Mr Clarke: It is a pleasure to open this debate. I wish briefly to remind Members why this is such an important piece of legislation that we must ensure we get right. Our public servants provide vital services on which we all rely and their unwavering commitment has been particularly vital during the covid pandemic. We have an obligation to continue to provide guaranteed pension benefits to reward those workers for their dedicated service, and must do so on a fairer basis and in a way that ensures that pensions are affordable and sustainable in future.

Let me turn to the amendments that I have tabled, which are largely technical ones to ensure the Bill works smoothly. New clause 7 makes it possible for the judicial pension scheme 2022 regulations to be subject to the made affirmative procedure rather than the draft affirmative procedure, which is the usual process for judicial scheme regulations. The Bill closes all current judicial pension schemes to future accrual on 31 March this year, so the change is necessary to ensure that the new pension scheme is in place for all judges on 1 April. There will therefore be no gap in judicial pension arrangements.

The provision in the new clause is an exceptional use of the made affirmative procedure in respect of judges' pensions. It is limited to scheme regulations for the judiciary that are made within 28 days of Royal Assent, so it will be used only to make the judicial pension scheme 2022 regulations. It will not apply to any other public service pension schemes, which are generally made under the negative procedure, nor will it apply to any future amendments to judicial pension schemes.

The remainder of the amendments that I have tabled are minor and technical, with the aim of ensuring that the Bill is applied effectively and consistently. Amendment 19 relates to the commencement provision and simply ensures that different provisions in the Bill can come into force at the appropriate time.

Amendments 1 to 14 simply clarify the wording in various clauses in chapter 1. Together, the amendments give schemes the flexibility to implement the prospective and retrospective remedy in the way that is most efficient for their members.

Amendment 16 ensures that the remedy applies correctly to local government scheme members who were formerly members of other public service pension schemes. In particular, it makes sure that former members of other schemes are not disadvantaged because they previously participated in a scheme with a lower normal pension age.

Amendment 17 provides that the power under clause 81 for local government new scheme regulations to make provision regarding special cases must be exercised in

accordance with Treasury directions issued by either Her Majesty's Treasury or the Department of Finance in Northern Ireland.

On judicial offices, amendment 18 changes the extent of schedule 3 to ensure that if Welsh Ministers or the Department of Justice in Northern Ireland make subsequent changes to the list of devolved offices in schedule 3 using the power conferred on them by clause 125(1), incorrect text will not remain in statute in other parts of the United Kingdom.

Amendments 20 and 21 change a reference to the Special Educational Needs Tribunal for Wales to its new title, the Education Tribunal for Wales, thereby ensuring that a relevant sitting in retirement office is created in the Education Tribunal for Wales.

Tulip Siddiq (Hampstead and Kilburn) (Lab): The pandemic has underlined the contribution made by the public sector workforce to this country. Public sector workers do so much to keep us all safe. Our brave doctors and nurses and those in the police, fire service and other public service professions deserve security and a high standard of living in retirement, so it is so important that the Government provide decent pensions on a fair and equal basis.

As the Minister knows, we welcome the Bill's main provisions, and particularly the attempt to bring in a remedy in respect of the discrimination against younger members of the new pension schemes established by the coalition Government between 2014 and 2016. We also strongly support the introduction of reformed scheme-only design, which will mean that the cost of the legacy schemes will no longer be included in the cost control mechanism, along with the Government's proposal to widen the margin of the cost corridor from 2% to 3% of pensionable pay. Those changes will provide greater certainty for members and for the taxpayer.

However, the Minister will not be surprised to hear that we have a number of concerns about the Bill. It is wide ranging and several Members have tabled amendments. I have a limited amount of time, so I will focus on the Opposition Front-Bench team's primary concerns about the Bill and speak to the amendments that I have tabled on the Opposition's behalf to address them.

First, I wish to highlight the concerns of public sector employees and trade unions about the lack of clarity on how the remedy, which I remind the House is estimated to cost around £17 billion, will impact the future value of members' pension schemes. In the Committee debate on 27 January, the Minister stated that

"no member benefits will be cut and no member contribution rates will increase as a result of the 2016 valuations."—[*Official Report, Public Service Pensions and Judicial Offices Public Bill Committee*, 27 January 2022; c. 10.]

That commitment is welcome but, as the TUC and others have said, it does not address the question of whether the remedy will be included in future valuations of the cost control mechanism.

Were the cost to be included at a later date, members could see their benefits cut and their contribution rates increase. I remind the House that the Public Accounts Committee warned that such an outcome would be fundamentally unjust as some of the cost of the Treasury's £17 billion mistake would be passed on to members.

Will the Minister please clarify whether the estimated £17 billion cost of the remedy will be included in the valuations of pension schemes under the cost control mechanism at some later date?

Secondly, I wish to discuss the Government's proposal to introduce a so-called symmetrical economic check to the cost control mechanism. As the Minister will be aware, many public sector workers and their representative organisations believe that the proposals break the Treasury's 25-year guarantee that no further fundamental reforms would be made to public service pensions following the 2011 settlement with trade unions. The Minister told us in Committee that

"the Government do not believe that the reforms breach that guarantee."—[*Official Report, Public Service Pensions and Judicial Offices Public Bill Committee*, 27 January 2022; c. 36.]

However, I found a press statement issued by the Treasury on 20 December 2011 that makes it clear that the guarantee covered significant reform to the cost control mechanism, and the Paymaster General in the Conservative Government at the time said that it represented a "settlement for a generation".

Does the Minister recognise that his Government's proposal for an economic check risks undermining the Bill's purported aim of restoring public service workers' faith in their pension schemes? The National Education Union, the TUC and PRS have all warned that the proposals unfairly penalise pension scheme members for public sector pay constraint and lower-than-expected life expectancy. In practice, this will likely mean that any downwards breach of the cap will trigger the economic check. It seems the economic check is unfair, so will the Minister now accept that the Government must go back to the drawing board and rethink their proposals? I will be grateful if he addresses that issue.

2.30 pm

The third issue is the Bill's failure to address the so-called pension trap, which means that some members may lose benefits due to a higher retirement age brought in under the new pension scheme. That is why we on this side of the House tabled an amendment both at the Committee stage and on Report that would require the Government to review how losses arising from the pension trap could be compensated. During the Committee stage debate on 27 January, the Minister stated that our "new clause appears to go considerably beyond the police staff associations' representations and proposals".—[*Official Report, Public Service Pensions and Judicial Offices Public Bill Committee*, 27 January 2022; c. 63.]

However, today I wish to inform the House and the Minister that the Police Superintendents Association and other police unions fully endorsed our amendment ahead of the debate today. Will the Minister therefore commit the Government to entering discussions with the Police Superintendents Association and other relevant membership bodies to bring forward a fair solution to the pension trap and demonstrate the Government's commitment to resolving this issue by supporting my amendment today?

Finally, I wish to bring the Minister's attention to the Bill's potentially adverse consequences for equality. For example, trade unions have warned that women serving in the police may be unfairly impacted by elements of the Bill. Under the old police pension scheme, women who have taken off time due to caring responsibilities

have been able to make up time that they had lost but, under this new scheme, which is based on age, they may have to work longer. What reassurances can the Minister offer me that this will not be the case and that the Bill will not have adverse consequences for equality?

We are also concerned about the issue of immediate detriment. On 29 November 2021, the Government updated their guidance for police and fire service pension schemes administrators to recommend that no immediate detriment cases should be processed before the legislation is in place because

"it now appears that section 61 [of the Equality Act 2010] may not give all the powers required to operate the remedy smoothly".

It acknowledged that

"the effect of section 61 would only be known for certain if it is tested in a court of law."

Police officers who retire early due to their age or disability, for example, may be unfairly penalised as they will not have a complete picture of the value of their pensions benefit. That seems to contradict the provisions put in place by the Equality Act. I would like to hear the Minister's thoughts on that. Does he agree that that is fundamentally unfair and that our police and firefighters do not deserve to be left in a state of uncertainty while they wait for this issue to be resolved at court? The Government should demonstrate that they are committed to addressing these concerns about equality by supporting our amendment today. The amendment would require the Treasury to review the equality impact of the Bill, taking into account issues such as age, gender and disability.

I very much look forward to hearing the Minister's response to the various issues that I have raised today. Although we have some outstanding concerns with the Bill, which I have outlined, we do broadly support what the Government are attempting to do and we recognise the need to put the remedy in place as quickly as possible.

Robert Jenrick (Newark) (Con): I rise to speak to new clause 1, which is in my name. The new clause empowers the Secretary of State to issue guidance to authorities that administer public sector pensions schemes that they may not make investments that conflict with the United Kingdom's foreign and defence policy.

The new clause will resolve a long-standing issue that arose out of the Public Service Pensions Act 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The issue was whether the Secretary of State had, under their general power to issue guidance provided under the 2013 Act, the ability to guide those who administer pension schemes, particularly local government pension schemes, away from making investment decisions that were contrary to the United Kingdom's foreign and defence policy.

In 2020, the Supreme Court found by a split decision that the 2013 Act did not confer on the Secretary of State the necessary power to issue that guidance. The purpose of the new clause is to change that by explicitly laying out in law the Secretary of State's power to offer the guidance to administrators of pension schemes within the public sector, including the local government pension schemes, that investment decisions—by which I

mean both investments into a position and divestments from a position—should not conflict with UK foreign and defence policy.

There are multiple reasons for doing that. First and foremost, public service pension schemes that are paid for by the taxpayer by one means or another and underwritten by the state are clearly the preserve of the UK Government and, as such, it is perfectly legitimate that the UK Government have a say in regulating how public pension schemes manage the money that is provided to them by we the taxpayers of the country.

Peter Grant (Glenrothes) (SNP): May I just probe the right hon. Gentleman's last point a wee bit? My bank account is stuffed full of what was previously taxpayers' money. Neither I nor my wife have had any significant income for years that did not come one way or another from the taxpayer. Is he suggesting that the Government should have some say as to how the bank can invest my money to make sure that I get it back when I need it? Is he suggesting that the private pensions that I am lucky enough to have should be subject to Government direction as to where they do and do not invest?

Robert Jenrick: I shall come on in a moment to my own personal views with respect to boycott, divestment and sanctions, but this new clause has no bearing on the actions of private citizens. This is about public sector pension schemes. The broader issue, which I will mention in a moment with respect to tackling BDS within public institutions and the public sector, is all about the public sector; it is not about limiting the freedom of speech or action of the individual.

Dr Matthew Offord (Hendon) (Con): Will my right hon. Friend give way?

Robert Jenrick: I would like to make some progress, but I will give way.

Dr Offord: Is my right hon. Friend aware that, only this morning, Hertfordshire County Council was considering a petition submitted by individuals to ask it to divest from its pension scheme? Does he agree that it is the responsibility of elected representatives to ensure that pension schemes have the best and most profitable outcome to allow the members of that pension scheme to receive the best possible income?

Robert Jenrick: Yes, I do, and I will give some other examples of local authorities considering the same actions that my hon. Friend describes.

The argument that I wish to advance is that, for too long, we have seen public pension schemes pursue pseudo foreign policies.

Andy Slaughter (Hammersmith) (Lab): Will the right hon. Gentleman give way?

Robert Jenrick: I will make a bit of progress and then I will return to the hon. Gentleman.

All too often, the foreign policy of these public pension schemes is, I am afraid, exclusively focused on re-writing the UK's relationship with the world's only Jewish state, Israel.

Christian Wakeford (Bury South) (Lab): Will the right hon. Gentleman give way on that point?

Robert Jenrick: I will come back to the hon. Gentleman. I appreciate his interest.

The latest example of the politicisation of public pension schemes is by Wirral Council, which is currently considering realising almost £5 million-worth of investments in seven companies. This pet project of a small minority who seek to hijack the money of hard-working taxpayers for their own political ends is of no interest to the public pension scheme holders of the Wirral, or indeed, I suggest, to the public pension scheme holders and rate payers of Hertfordshire.

The politicisation of public sector pension schemes, such as that seen by Wirral Council, is also to the detriment of the UK Government's relations with states abroad. Supreme Court Justices Lord Arden and Lord Sales established in their judgments that, because the schemes are managed by councils that are part of the machinery of the state, receive taxpayer funding and are underwritten by state regulation outlined in the 2013 Act, they are liable to be identified with the British state. It is perfectly reasonable for an individual, an organisation or a nation abroad to look to these decisions and believe that they are the British state's intentions. It would be wrong that, owing to a minority of an extreme and well-organised clique, the UK Government's relationship with an ally has the potential to be undermined. Ultimately, central Government must reclaim their constitutional responsibility for the conduct of the UK's international affairs. It is for this House to be the place in which those decisions are debated, as I am sure we will see later today. Public service pension scheme trustees must return to their primary duty of achieving maximum returns for scheme members.

Andy Slaughter: The right hon. Gentleman said earlier that this is public money. He will be aware that the Supreme Court, in making a judgment on the previous guidance, specifically said that it is not public money when it is employee or employer contributions; it comes from the rightful employment of the employees themselves. Why does he think that his new clause is different from that? As he has gone on to the specifics, while I am not talking about BDS here, does he think there is a possibility that decisions on investments, say, in illegal settlements, which the Government advise against on economic grounds, could also be caught by his new clause?

Robert Jenrick: The hon. Gentleman makes an important point. The Supreme Court raised two central arguments. One was whether the 2013 Act explicitly gave the Secretary of State the power to issue guidance with respect to investment decisions that conflicted with UK foreign and defence policy. The second point that some Supreme Court Justices raised was whether it was within the remit of the Secretary of State to speak to all public service pension schemes, including those that are funded and unfunded, particularly the Local Government Pension Scheme.

This new clause explicitly provides the Secretary of State with the power to issue that guidance. Were it to pass, and were this ever to be litigated and reach that court, I expect that the Supreme Court Justices would see clearly the intention of this House, which is that the

Secretary of State should be able to issue guidance and that that guidance should be applicable to all public service pension schemes. I hope that answers the hon. Gentleman's point, which is an important one for us all to be clear on if the new clause is passed.

The new clause does nothing to stop private individuals making individual choices about their consumer habits. They remain at liberty to invest in or divest from, purchase from or boycott whichever companies they wish and for whatever reason they so choose. It does, however, make a distinction between the liberties of the private individual and the obligations of public bodies in receipt of public money, and it is grounded in the principle that public money should be spent in accordance with the wishes of the UK Government as expressed by this House.

Christian Wakeford: I am one of those fortunate Members who sit on a local pension board. One of the issues that is often feared, particularly by smaller Jewish communities, is that, rather than focusing on community cohesion, it is about bringing in foreign policy matters that often bring division, when they really want to be settled and to be able to progress and thrive within their local community. Does the right hon. Gentleman agree that the worst thing that could happen would be for the BDS movement to have a say within pension boards and pension funds, and that the best thing we could do is to accept this new clause and bring stability to Jewish communities across the country?

Robert Jenrick: I am grateful to the hon. Gentleman for his support for this new clause, as I am to all those hon. Members across the House who have indicated theirs, and for his long-standing interest in the issue. He makes an extremely important point.

Let me be clear: it should not be assumed that someone expressing their support for Palestine is antisemitic. Of course that is not the case. Many are genuinely moved by the cause of Palestinian statehood and are concerned at Israeli settlements and the actions of the Israeli Government. It is the policy of this Government to pursue a two-state solution. However, one does not have to look very hard to find a pattern of antisemitic behaviour in connection with campaigns promoting a boycott of Israel.

Successive studies have shown that the single best statistical predictor of anti-Jewish hostility is the amount of BDS activity, which comes as no surprise when one inspects the ethical inconsistency within the movement. Why does its concern for humanity, and for the welfare of Muslims in particular, expire at the Jordan river? The BDS movement is mute on neighbouring Jordan or Lebanon, where the Palestinian minority really are second-class citizens, and fell silent when thousands of Palestinians were killed at the hands of the murderous Assad regime.

There has been no call for a boycott of ICICI Bank in response to the egregious human rights abuses being committed against Muslims in India, or for divestments from Huawei following the verdict by an independent tribunal in London that a genocide is being committed against the Uyghur Muslims. That selective concern for humanity, and specifically for the welfare of Palestinians, poses some alarming questions. Why is Israel held to a higher standard than every other country in the world?

Andrew Percy (Brigg and Goole) (Con) *rose—*

Stephen Crabb (Preseli Pembrokeshire) (Con) *rose—*

Robert Jenrick: I will give way to my right hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) and then to my hon. Friend the Member for Brigg and Goole (Andrew Percy).

2.45 pm

Stephen Crabb: My right hon. Friend is making a powerful speech and I commend him on how he has gone about bringing forward this new clause to close a specific loophole on public sector pensions. In the context of his point about the wider boycott, divestments and sanctions movement, does he agree that it is a pernicious movement that singles out Israel time and again, to undermine the UK-Israel bilateral relationship and the very notion of the integrity of the Israeli Jewish state? I very much hope the Government will accept his new clause, but does he also accept that there is a need for a broader piece of work by the Government to address the BDS movement in its entirety when it comes to public sector choices?

Robert Jenrick: My right hon. Friend makes a series of powerful points, which I entirely agree with. In particular, I agree that, were this new clause to pass, it should merely be the beginning of a wider effort to tackle BDS within the public sector and that we as the Government should make good on our manifesto commitment to a full BDS Bill, which I hope will be in the forthcoming Queen's Speech.

Andrew Percy: My right hon. Friend is making an excellent speech. The founder of the BDS movement is, of course, somebody who denies the right of Israel to exist—an antisemitic act in and of itself, given that Israel exists in international law. My right hon. Friend says that BDS is the biggest single indicator of antisemitism in this country; I take him back to last year, where we saw the highest number of incidents of antisemitism ever recorded in the UK. The biggest month for those was May last year, following the flare-up of the Israel-Gaza issues. That is a worrying trend, and one that is in part promoted by those who do exactly as he says: single out Israel for treatment they do not apply to other countries and support the BDS movement. That is why we must see this new clause passed and why the Government must move forward quickly on those other issues.

Robert Jenrick: I am grateful to my hon. Friend for his intervention and for the work he does on antisemitism. He is absolutely right that we cannot stand idly by and see levels of antisemitism in this country continue to rise. We must take every opportunity to tackle the issue, and this is one way that we can do so—there are many others. None of us wants to see month after month pass with the Community Security Trust reporting ever higher numbers of egregious antisemitic attacks in this country.

I will make two final points. First, the BDS movement does absolutely nothing to advance the cause of peace. It is because it sees Israel as a colonial endeavour that it views the Israel-Palestine question as an insurmountable framework of conflict between the occupiers—in their eyes—the Israeli Jews, and the occupied—in their eyes—the Palestinian Muslims. That is why it apportions blame for the conflict entirely at Israel's door and denies the agency of other actors such as Hamas and Hezbollah, both of which we as a country have rightly chosen to

proscribe. The sad reality is that many who practise BDS have no intention or interest in brokering a two-state solution.

Scott Benton (Blackpool South) (Con): My right hon. Friend is making an excellent speech and I commend him on tabling this new clause. Does he agree that the BDS movement has consistently opposed efforts from Israelis and Palestinians to negotiate a peaceful settlement? He referred earlier to Wirral Council and its pensions committee; does he agree that it would be entirely inappropriate for a local authority to be judge and jury on such complex matters as where businesses should and should not invest in contested territory in the middle east?

Robert Jenrick: I agree strongly with both my hon. Friend's points. On his second point, the motion before Wirral Council is to ask its pensions officer to be the arbitrator of which business it should or should not be investing in within Israel and within settlements. Pity this poor individual, who, instead of going about his normal work as a respectable, hard-working local government officer, must suddenly spend hours, days, weeks or months attempting to understand the intricacies of the Israel-Palestine question and provide advice to a committee of local councillors. It is frankly an absurdity and an abuse of that individual. We should not be seeing this. These questions should rightly be taken forward by the United Kingdom Government.

BDS is ultimately yesterday's war. In the middle east today things are rapidly changing, and thank goodness for that. As a result of the Abraham accords, we see Arab nations—Gulf states—coming forward to recognise the state of Israel and work with it through science, technology, education and commerce. If Bahrain, the United Arab Emirates, Jordan, Egypt and other nations can do this—even those countries, such as Saudi Arabia, that have not explicitly recognised the state of Israel but are none the less working with it on security matters and other issues—then we as a country should not be tolerating this kind of activity, and certainly not within the public sector. I urge hon. and right hon. Members across the House to support the new clause. I am grateful to the Government for indicating their support. I hope that in the Queen's Speech later in the spring we will see a wider BDS Bill that makes the UK one of the first countries in the world to really grapple with this issue.

Peter Grant: As I said on Second Reading and in Committee, the SNP supports the intention behind this Bill and we will support it on Third Reading. The intention is to clear up a mess of the Government's making. I also repeat that, as I said in Committee, I do not have any doubts at all about the sincerity of the Ministers who have led for the Government at various stages of the Bill. I am convinced that they want to get it right and to finish up with an Act that is as fair to everyone as it is possible to be. However, my concern with the Bill currently before us is that even after the Government's amendments are added in, sizeable numbers of current or former public sector employees will lose out. Given where we have been forced to start from and the scale of the mess that the Government made of this previously, I am not sure that it would ever be possible to produce a Bill that would be fair to absolutely

everyone, but the Bill as it stands can still be improved. To that end, we will support such amendments as Opposition Front Benchers want to press to a vote, particularly new clauses 8 and 9.

One of the issues I raised on Second Reading has certainly come to pass: the extraordinary number of amendments the Government had had to table to their own legislation during its passage through the House of Lords. We now know that including the 61 amendments they tabled in Committee and the 28 further amendments tabled today, by the time the Bill gets its Third Reading later on the Government will have had to amend their own legislation no fewer than 212 times. In fact, Members who attended the Bill Committee will have seen the spectacle of the Government tying themselves in knots trying to remove two entire clauses from the Bill and replace them with two entirely new clauses. It was only the speedy intervention of the Clerks and the Chair that prevented the Government from presenting us with a Bill that had all four clauses included despite the fact that some of them were completely contradictory to the others. Eventually the Government had to whip their own Members to vote down two clauses that the Minister had already moved, presumably by mistake.

That incident served only to highlight what many of us on the Opposition Benches have been saying from the beginning—that the Government still cannot reassure us that they are genuinely fully in control of this Bill. I worry that they are very quickly running out of last chances to put it right. There is still a danger that the Bill that receives its Third Reading later today will have flaws and weaknesses that neither the Government nor anybody else have spotted yet. Most of today's Government amendments are part of the process of picking up flaws or ambiguities in the original Bill, and we will not oppose them. We have some concerns about new clause 7, which provides for a lessening of parliamentary scrutiny in some cases. The Minister has not yet convinced me that that is an appropriate thing to do. I hope that when he winds up he will explain why new clause 7 is appropriate and why, in some cases, parliamentary scrutiny should be diluted in any way.

As I indicated earlier, we will support new clauses 8 and 9 in the name of the hon. Member for Hampstead and Kilburn (Tulip Siddiq). New clause 8 would provide a means of compensating scheme members who, through no fault of their own, stand to lose out as a result of the Bill. The Bill rights a wrong for a very large number of people in public pension schemes but goes in the opposite direction for some, and we should not forget about them. The new clause does not commit the Government, or indeed the scheme employers, to any additional expenditure, but it would require the Chancellor of the Exchequer at least to recognise that this is an issue and to look at whether there are realistic and reasonable ways of resolving it.

New clause 9 would require the Government to review how the Bill operates in the real world—as opposed to the assessment, as with any Bill, before discussions on it began—with regard to equalities. Given how many substantial changes the Government have already had to make to the Bill, it is prudent to accept that, once it comes into force, it might have consequences that the Government have not foreseen, which the new clause would attempt to protect against.

New clause 1, in the name of the right hon. Member for Newark (Robert Jenrick), is a different matter altogether, and the SNP is minded to oppose it. We have heard some of the arguments in favour of it—they are similar to comments made on Second Reading—which simply do not wash. I will not get into an argument now about the BDS movement. If the Government genuinely think that that organisation is a threat to peace and stability in the middle east or elsewhere, they could bring forward legislation to address it—they have had over two years of this Parliament to do so, and they still have time—but this is not the Bill for that.

Richard Burgon (Leeds East) (Lab): Does the hon. Gentleman share my concerns that the new clause tabled by the right hon. Member for Newark (Robert Jenrick) risks barring ethical investment decisions across the board—for example, in relation to Saudi Arabia? Given that future Governments might decide to support regimes that abuse trade unionists, for example—as we have seen in Colombia in recent years, or in Chile in the past—the new clause would be not only anti-democratic but would risk ethical investment decisions and human rights policies around the world.

Peter Grant: The hon. Member is absolutely right. If the new clause was intended purely to limit the activities of the BDS movement as a precursor to possible further restrictions later on, a very different new clause would have been tabled, and it might have been possible to word it in a way that we would not have significant problems with, but this new clause is far too wide. It could give the Secretary of State—any Secretary of State—the power to prevent any public pension fund from considering any kind of ethical, sustainability or other factors simply because they decide that they are contrary to UK foreign or defence policy.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): The hon. Gentleman is making an interesting argument about why the new clause is too wide. Is there not also the problem that it risks investments themselves due to a chilling effect for investors who might not withdraw from an investment when it is economically advisable to do so because of fear of breaking the rules under the new clause, so we could end up with the devaluation of pension schemes?

Peter Grant: I will come on to that later. We need to remember, in all of this, that the trustees of any pension scheme have an absolute fiduciary duty to those who rely on the performance of the fund for their current or future pension. We do not want anything that ties their hands, such as someone saying they should go only for very low-yield investments because that person has objections to the activities of companies that might give a higher yield. There are times when we must question whether it is right to put trustees under that kind of pressure. It is also wrong to suggest that pension trustees, in addition to or instead of their absolute duty to pension scheme members, should have some kind of duty to be a mouthpiece for the British Foreign and Commonwealth Office or the British Ministry of Defence. They are not an arm of Government; these are legally independent trustees, and they have to have that legal independence properly protected.

3 pm

As I have said, I do not want to get into a big argument about the best way to ensure peace and stability in the middle east, and I note a number of the points made about the activities of BDS. I caution strongly against assuming that those characteristics apply to anything more than a tiny minority of the people in these islands who have genuine concerns about the illegal activities of the state of Israel, who genuinely believe that the United Kingdom needs first to make clear to the state of Israel that breaches of international law are not accepted and who believe that the British Government are not taking nearly enough steps to help Palestine get into a position where it can be recognised as a sovereign independent state. We should all be contributing to a two-state solution in the middle east.

Going back to the comments of the right hon. Member for Newark, he is arguing that people and Governments in other countries would assume that a decision made by the Wirral Council pension fund trustees or the Hertfordshire County Council pension fund trustees somehow mirrored the views of the UK Foreign and Commonwealth Office or Her Majesty's Government's policies on defence. There are some totalitarian regimes in the world where every public sector organisation and most of the private sector organisations are allowed to say only what that Government tell them to say, but Britain is not one of those countries—well, not yet, although we are maybe getting quite quickly to that stage.

It is noticeable that the current Government seem extremely keen to increase our trade with some countries that exercise that kind of totalitarian control over all their public bodies. I would have thought that a Government who sing their own praises about the devolution of authority to local councils would want to celebrate giving councils the right to take a different view from the Government, if that is in the interests of the residents of that council area, and highlight it to other Governments at every opportunity.

Taking the right hon. Member's argument to its logical conclusion, he said that matters of foreign policy should be debated here and not in council chambers or town halls around the UK, but why on earth not? In the debate on Second Reading, he said that

“we do not want to see local councils trying to influence foreign policy decisions”.—[*Official Report*, 5 January 2022; Vol. 706, c. 100.]

I beg to differ; I want to see councils with the ability to influence not only foreign policy decisions, but decisions on all aspects of domestic policy. These policy decisions are rightfully taken by the Government of the day and held to account by the Parliament of the day, but to suggest that councils should be frozen out from having any input on those decisions is a dangerous precedent.

Stephen Crabb: I am listening closely to the hon. Member's argument, but I am afraid I just do not accept the points he is trying to string together in what is a fairly strange argument. The reason this amendment is so important and the reason we do not expect council chambers to be dabbling in foreign, defence or security policy is precisely that they are not given the competences over those policies. It is the same for the Welsh Senedd, and the Scottish Government have a limited number of competences. Yes, we want them to exercise their powers

fully in those areas where they are given competence, but it is a complete diversion of activity and attention to say that we want councils to be getting involved in incredibly sensitive and complicated subjects of the kind that my right hon. Friend the Member for Newark (Robert Jenrick) has already described.

Peter Grant: I certainly cannot agree with the right hon. Gentleman. As I have made perfectly clear, how the British system works is that Ministers have the authority to take policy decisions, and Parliament is right to hold Ministers to account for that. Parliament has the ultimate right to decide what becomes law. If nobody else is allowed to discuss it, and councils are not allowed to express views in the interests of the people they are there to represent, the whole system starts to fall flat on its face.

It is as plain as the nose on my or anyone else's face that decisions on foreign policy can easily have a disproportionate impact on residents in some parts of these islands. Certainly, decisions on defence policy can have a significantly greater impact on some places than others. Remember that councils are directly democratically elected by local people to represent their views. Are we suggesting that they should not be allowed to debate matters of foreign policy simply because they do not have the right to take the final decision? If that is what Government Members are saying, why is it that almost every Tory MP who pops up on their hindlegs at Prime Minister's questions to ask a planted question invites the Prime Minister to interfere in local democratic decision making? We have had two examples today, with the right hon. Member for Newark expressing his views on possible decisions by councils that, with respect, are nothing to do with him, because they are not the council area he represents.

I do not know whether Wirral Council or Hertfordshire will take the right decision, but I am happy to trust the good people of the Wirral and Hertfordshire to sort out councillors who get it wrong too often. That is what local elections are about. I do not like to see the Government, having substantially stripped back the powers of local authorities, then deciding to give local authorities the power to take decisions they agree with, but taking away the power for local authorities to do things that might go in a different direction.

Among all this, we are losing sight of the vital fact that as a matter of law, the trustees of a pension fund are a completely different organisation and a completely different entity in most cases from the organisation whose current and former employees are members of that fund. My wife has for many years been a trustee of the Fife Council pension fund, as well as having clocked up nearly 30 years as a councillor. The decisions that the trustees of the pension fund make are completely different from the decisions many of the same people will take as members of Fife Council. Nobody believes that the decisions of the pension fund reflect the views of the council; the council is not allowed to try to whip pension trustees, for example.

Robert Jenrick: Will the hon. Member give way?

Peter Grant: I will give way once more, but I am aware of the time.

Robert Jenrick: As a matter of law, what the hon. Member is saying is not correct. Pensions within the public sector, as elsewhere, are regulated. They were regulated by the Public Service Pensions Act 2013, and they will be regulated by this Bill. He has been speaking for more than 15 minutes, and it is not clear to me whether the SNP is in favour or against BDS. It is important that he makes clear his position.

Madam Deputy Speaker (Dame Rosie Winterton): Order. I am keen that we do not just have a whole debate about BDS. I want the amendments to be addressed, and there are a few other speakers trying to get in.

Peter Grant: I made the point much earlier that the amendment is not about BDS; BDS is not mentioned anywhere in it. Going back to the question of whose money it is, we can go round in constitutional or legalistic circles, but morally that money belongs to the people who rely on it for their pensions. If members of the pension scheme want to make strong representations to their trustees, saying, "I do not want to profit in my pension from investments that benefit countries that act in breach of international law", why is it such a bad thing for pension scheme members to be allowed to make those representations to the trustees? Why is it such a bad thing for the trustees to be allowed to say, "At the request of our members, we will take a decision that might not deliver quite such a high yield for the pensioners, but the pensioners are happy to accept that, because they will be comfortable in their consciences about where the money is going and where the profits are coming from"?

We cannot support new clause 1, and we are minded to divide the House on it later. My final point is that every pension fund trustee has a duty entirely to look after the interests of their pensioners and future pensioners. I do not want to see anything being done that gets in the way of that. We will support the Bill on Third Reading, but I hope it will come to Third Reading without new clause 1 included. The fundamental point is that the £17 billion mistake was made by the Government. If we eventually pass the Bill into law to be an Act of Parliament that makes pensioners or their employing authorities pick up part of that tab, it has not done enough. I fear that by tonight we will still have a Bill that has not done enough and that the Government will not be made to take full responsibility for a mistake entirely of their making.

John McDonnell (Hayes and Harlington) (Lab): I declare an interest in that I am a member of the local government pension scheme. I want to address the amendments standing in my name—new clause 10 and amendments 22 and 24—but I would also like to comment on new clause 1.

On the debate about whether or not this is public money, I thought, as a member of the local government pension scheme, that the Supreme Court was pretty clear that this is not public money in the sense that would enable the Government to issue guidance. However, I have to say that new clause 1 goes further than guidance; it actually includes directions as well. I work on the basis, as I did when I was employed in local government, that the money I earned and the money forgone to invest in my pension scheme was my earned income; it was not public money under the control of the Government.

I think there is a lesson for us all here in that I believe that only in extremis—only in extremis—should the state interfere in one's own privately earned income. I say that because, in the pension scheme regimes we have at the moment, we have an element of representative democracy with the trustees often being representatives of the workforce and other experts. That reassures me that, as a member of the pension fund, I have an element of say in what those trustees do, if they are appointed, and that enables me and other members of the pension fund to exercise an element of control over decision making, but also to exercise an element of conscience.

Andy McDonald (Middlesbrough) (Lab): Does my right hon. Friend agree that the clumsy way in which new clause 1 has been worded will create a chilling effect on risk-averse pension scheme managers in fulfilling their fiduciary duties and other responsibilities? Does he also agree that it will significantly incapacitate the ability of pension schemes to invest ethically, and the rights of pension scheme members and pension schemes to express and have ethical views taken into account in the investment of their own money?

John McDonnell: I agree with the first point, but let me take up that last point, because I just want to explain to other Members where I am coming from and get it on the record.

On moral grounds, I have argued very strongly within my own local government pension scheme—so far, I have to say, unsuccessfully—that I do not want the money I have earned, and part of my pension is my earned income, to be invested in a number of states. They include Saudi Arabia, because of its involvement in Yemen. In fact, I have organised demonstrations when there were visits from various representatives from Saudi Arabia to this country. I have argued that I do not want my pension invested in China because of the treatment of the Uyghurs. Again, I have engaged in demonstrations on that, and also on the moral ground that a number of trade union friends I have worked with over the years are currently in prison as a result of the operation undertaken by the Chinese state in Hong Kong. Yes, I have argued against investments going into Colombia because of the murder of trade unionists, and I have also argued against investments going into Israel because I do believe—according to the Amnesty human rights report, and many Jewish institutions—that it is an apartheid state in the way it treats the Palestinians.

That is my position: on moral grounds, I want to be able to influence the investments. I do not want my pension invested in armaments or fossil fuels either, and I believe that that is my right. I do not believe it is the role of the state to ride roughshod over my moral choices without extremely good reason. Given the threat of climate change and other matters, there may well be, in extremis, reasons for the state to act, but I do not think that this new clause is in that context.

Chris Stephens (Glasgow South West) (SNP): If this new clause had been in legislation in the 1980s, it would have covered South Africa, and the right hon. Member will remember that local authorities drove the anti-apartheid movement, while the UK Government refused to impose sanctions.

3.15 pm

John McDonnell: I was chair of finance at the Greater London Council at that time, and I would regularly turn up with my shares with regard to Barclays bank. When Mandela came here—some Members will have been there when he spoke—he and others, including the late Archbishop Tutu, commended those who argued for disinvestment from South Africa in order to bring about a change in that regime, and it worked.

The point I am making—I will finish on this element of it—is that I do not believe it is the role of the state to interfere in this way. Parliament can decide to expand the role of the state, but I think it begins to strain the limits of parliamentary democracy. I have listened to Conservative Ministers warn us in this Chamber about elective dictatorships, so I just warn hon. Members on both sides of the House that once these precedents are set, other Governments will be tempted to follow and, in some instances, go much further. I think this adds to the slow erosion of our civil liberties, freedom of choice and, indeed, human rights.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): On the right hon. Gentleman's point about his own pension fund, I do not think there would be many countries left in which it could invest. I understand his concerns about pension funds making ethical investments, but the pension fund also has a fiduciary duty to sustain the fund, and to make investments in that respect and for future pensioners who will draw on it. How can he reconcile the two positions?

John McDonnell: I was once, in my callow youth, an adviser to the mineworkers pension scheme, and then I was an adviser at the TUC, working with Lord Bryn Davies, who is one of our colleagues in the Lords at the moment, and there was never a problem with our fiduciary duty of maximising the income to the pension fund itself because of the range of investment opportunities available to us. I think we found in the past that exercising such moral judgment can prove effective in the long term, because it ensures that the fund is not investing in countries that may in the longer term become unstable as a result of the actions they take. I would just say, and I am making a personal point, that I think new clause 1 flies against my ability to exercise my moral duties about investments by my pension fund.

Lloyd Russell-Moyle: Will my right hon. Friend give way?

John McDonnell: Yes, but then I want to move on to my amendments.

Lloyd Russell-Moyle: Is there not a problem with this, in that it leaves the Secretary of State to decide what the foreign or defence policy might be in an arbitrary way, rather than requiring pension funds to set an ethical policy in which they can say that they do not want to invest in countries where there are human rights abuses? We would still have to treat all countries equally, so they could not target one country or another, but there would be an ethical framework, and this new clause does not allow an ethical framework.

John McDonnell: I would also come out fairly pragmatically and say that there may be some countries that, according to the Government, were not appropriate

to invest in a few years ago but now are. I do not want a little red book to be thrown at me again, but I would just cite the fact that the relationship the Government have had with China has changed over the years and, I hope, is changing again at the moment with regard to the Uyghurs.

Let me move on to the new clause and amendments in my name. New clause 10 is a simple reflection of new clause 8, tabled by my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq), on the pensions trap. I want to echo what I think she said really eloquently in Committee and today about how the dialogue on this issue must continue, because there is an unfairness at the heart of the legislation we are pushing through at the moment. This affects firefighters, police superintendents and so on, who feel aggrieved, and I feel that a bit more dialogue may enable us to find a solution and restore their confidence in the pension scheme itself. That is why I support new clause 8.

My new clause 10 is simply more explicit about ensuring that there are consultations with the trade unions and other employee representative bodies, and that we seek to overcome the problem so that we have a non-discriminatory approach that does not fall foul of the law.

I turn to my amendment 24, which addresses a complex issue. It reminds me of the debate we had on the d'Hondt proportional representation system, as there were only two people who understood it: Mr d'Hondt, who died, and Jack Straw. Let me just go straight to the point on this matter. I am sorry if I go into some detail. The Chief Secretary to the Treasury said in Committee that

"it is vital that we establish now, for the avoidance of any doubt, that no member benefits will be cut and no member contribution rates will increase as a result of the 2016 valuations. Any benefit improvements due will be honoured, but no additional costs will be imposed. I reassure the hon. Lady"—

my hon. Friend the Member for Hampstead and Kilburn—

"on her important question, that the costs of our remedy genuinely sit with the Exchequer, not scheme members."—[*Official Report, Public Service Pensions and Judicial Offices Bill [Lords] Public Bill Committee, 27 January 2022; c. 10.*]

This is complicated stuff. There is a confusion of two issues here. The Government did make a mistake and were challenged in the courts. I fear that that cost burden will now fall on to members of the pension fund, if it is included in the cost mechanism as an employee cost. That is the issue.

I turn to two points in that regard. First, there is the cost to the scheme of giving members the option to choose which benefits—old or new—they want to accrue during the remedy period. Some members will choose benefits that are better for them than they would have received before the McCloud and Sargeant judgments. The scheme will clearly have to meet the cost of paying those benefits—fine. We got the assurance from the Minister that the money will flow—we think it is £17 billion; that is the last estimate—and the burden will not fall on to the members themselves, but that is not what we are talking about here. The issue here is what impact the cost of the remedy should have on the cost control mechanism. I remind Members that this is the mechanism for deciding whether members' benefits should be changed or, alternatively, whether contributions could be changed.

There is no doubt that treating the cost of the remedy as an employee cost for the purposes of the cost control mechanism leaves members worse off than they would have been had it been treated as an employer cost. I draw the Chief Secretary's attention to the helpful report from the House of Commons Library entitled "Public service pensions: the cost control mechanism", which tells us that if we go back to the initial results of the 2012 scheme valuations, which were reported in 2018, the Government said that

"the protections in the new cost cap mechanism mean public sector workers [would] get improved pension benefits for employment over the period April 2019 to March 2023."

It is those improved benefits that I believe are now at risk if the cost of the remedy is included as an employee cost and not an employer cost.

What does this mean? The improved benefits were required because members had suffered a reduction in the value of their expected benefits over the period 2012 to 2016 because of lower than expected pay increases and because longevity had not increased by as much as had been expected. In other words, the changes would not make members better off; they would simply maintain the value of the benefit package at the level that had been agreed. I apologise to Members, because this is complicated stuff, but it has to go on the record if we are to get redress on this, either today or in subsequent legal actions.

Given the requirement under the cost control mechanism, the respective scheme advisory board then set about agreeing the necessary changes in benefits. In other words, because the pay settlements had not been as large as predicted, and because people were not living as long as the predicted life expectancies, the cost burden on the scheme was less, which should have been reflected in benefits given back to members. The scheme advisory board started looking at what those benefits would be, and the Library report gives an example of packages of changes proposed for the civil service scheme, which included

"a reduction of member contributions; reform of the current contribution rate structure; and increased death benefits."

The other schemes reflected similar sorts of benefits, so members would gain significantly as a result of this unfortunate situation—unfortunate because they never got enough pay settlements and never had the increase in life expectancy. Nevertheless, because those costs never fell on to the scheme, they should have been paid back to members.

In December 2018, the Court of Appeal ruled that part of the reforms amounted to unlawful discrimination. That was followed by the decision by the then Chief Secretary that the cost control element of the 2016 valuations should be put on hold. In other words, the members were to gain those benefits because of the cost control mechanism, the court decision took place, and the Government then froze the whole process. Eventually, the Government restarted the process and published the Treasury directions in October last year. The problem with the directions is that they treat the cost of remedying the Government's mistake, as calculated for the purposes of the cost control mechanism, as a member cost, not an employer cost.

The important point to understand is that there is nothing inevitable about the remedy as a member cost. It has always been accepted that there are certain elements

in the calculation involved in the cost control mechanism that are regarded as member costs that will impact on the cost control mechanism itself, but there are also other elements in the calculation that are employer costs and do not impact on the cost control mechanism. For example, the impact of changes in pay increases and mortality are obviously member costs, but changes in the discount rate and price increases are the employer costs. It is strongly argued by the trade unions, completely understandably, that mistakes made by the employer—that is, the Government—are employer costs.

What has never been discussed is how to treat the cost remedy incurred by the Government's own error, and that is what needs to be addressed today. It was the Government's mistake to have age discrimination in the scheme. The Minister in Committee said it was reflected in trade union representations, but as has been said by the Public Accounts Committee and others, the Government are the Government; they should have foreseen that there was the potential for discrimination. It is the Government who introduced the measures. It is the Government who are responsible for the Treasury directions and any legislation. It was a mistake by the Government. It is therefore logical that the cost of the remedy should be treated as an employer cost for the purposes of the cost control mechanism.

I apologise to hon. Members for the complexity of this, but it is important that we get on the record very explicitly that members of these pension funds should not have to pay in the long term for Government mistakes and should therefore have gained the benefit of either reduced contributions or enhanced benefits, because that is contained in what the Government agreed a number of years ago as the cost control mechanism.

3.30 pm

Turning briefly to amendment 22, I say to hon. Members in both Houses that this is not the way to legislate: no matter who is in Government, no Member of Parliament should accept this style of legislation where significant changes are made at a very late stage in the production of a Bill. The Government have introduced completely new into this legislation an economic test. As my hon. Friend the Member for Hampstead and Kilburn said, that falls foul of the agreement and the guarantees that were given that there would be a 25-year stable regime to administer public service pensions. Unions were told at that stage that there would be no surprises and this would last for a generation, and there would not be these significant amendments that have taken place. The Government are now saying there is going to be an economic test that will impose on the cost control mechanism the Government's judgment, based upon Office for Budget Responsibility analysis and assessment of the economic trend. I have never considered the OBR as addressing issues *ex cathedra* with infallibility.

To be frank, we have no idea in any detail how this will operate. We have no idea how it will be transparent and open to debate. I have tabled my amendment because what I fear most is that this will be determined by Treasury direction. Treasury directions never come before this House. They are not like delegated legislation: they are made by Government themselves with no form of accountability. So the Government will be able to determine

this economic test and effectively tear up the cost control mechanism that unions were promised would last 25 years. Whether benefits will go ahead and contribution levels will be determined by an OBR assessment of whether the economy can withstand the cost of that without any Member of this House having the ability to debate it, vote on it or determine it. That is why I believe Treasury directions are unsuitable for something so significant that will affect whether so many of our constituents will live in poverty in their retirement. For that reason, I believe the Minister needs to look again at how we can go forward to restore trust and confidence in the administration of public service pensions in the future, based upon some of the promises given a number of years ago to us as Members.

Christine Jardine (Edinburgh West) (LD): This is an important Bill, but Liberal Democrats believe there are still several serious concerns that need addressing. More support is needed for individuals in making decisions; perhaps a helpline would be useful. There are implications for women—the pensions gap. There is also the potential negative impact on diversity in the judiciary, which is currently dominated by a generation of older white men.

I will focus on Liberal Democrat new clauses 4, 5 and 6, but first let me say that the Liberal Democrats will not be supporting new clause 1, tabled by the right hon. Member for Newark (Robert Jenrick). That is nothing to do with BDS; it is because the wider implications and unintended consequences could be significant in cases such as Xinjiang, where we believe a genocide is taking place. That is not Government policy, so what would the Government direction be in that case? Our concern is the wider implications and unintended consequences.

New clause 4 would require the Government to review the impact of the Bill on fairness. It calls a review of fairness and just treatment, particularly with regard to members of current schemes. It is important to ensure that members of current schemes are not caught in the pensions trap. Women are more likely than men to have taken time off work for caring responsibilities. Under some of the new schemes, which are based on age, they will have to work longer. The issue of gender in pensions is not new, and this would not be the first time the House made a misstep.

The gender pension gap is the percentage difference in pension income between female and male pensioners. The latest research showed that it had increased to 37.9%; we must be aware of that. The deficit will continue, so the amendment seeks to highlight the importance of this issue and the need for urgent measures to address it.

New clause 5 is about access to information and would require the Government to publish guidance to members of affected pension schemes and allow for provision of a helpline or online services to offer further assistance in important decisions for people's futures. It is important that we think of the Bill in terms of individuals—the people whom it will affect—and their futures, what guidance and support will be provided to each person, how that will be resourced and how the Government will signpost that. That is key. We have seen with pensions for women born in the 1950s that when decisions and timings were not signposted, that had a massive impact on them when they found that their

pension age had changed. We must not do that again—and we still have not rectified the first mistake. The Government have already accepted that people with complex tax issues can have financial advice. The same should be the case for millions of public sector workers who will have to make such choices, so the Government should put a helpline in place for that.

New clause 6, would require the Government to publish an annual update on progress in recruiting new members to the judiciary and on increasing diversity. It is important that our senior judges in the Court of Appeal and the Supreme Court reflect the society in which we live if they are to be respected. They must be seen as part of the current era, to reflect society's trends and understand those trends, but there is perhaps a perception that they do not, and we are all concerned about that.

Although the proportion of judges who are women continues to increase gradually, women remain under-represented in judicial roles. That is particularly the case in the courts, where 32% of all judges and 26% of those in more senior roles are women, compared with 47% of all judges in tribunals. I am sure we would all like to see those figures addressed. The situation with black, Asian and minority ethnic judges is worse, with the figures being 4% for High Court judges and above compared with 8% of all court judges and 12% of tribunal judges. Surely that is far from acceptable. The new clause would ensure that the Government published an annual update on progress in this important area.

This is an important Bill and it is important that we address the issues in it. However, we must do that properly and ensure that there are not unintended consequences.

Zarah Sultana (Coventry South) (Lab): I rise to speak to new clause 1. The year was 1985. After a campaign lasting decades, 123 councils answered the call for solidarity with the South African anti-apartheid movement and adopted policies opposing that injustice, including 39 councils that had divested from companies operating in South Africa and Namibia. While the Prime Minister, Margaret Thatcher, was calling the African National Congress and Nelson Mandela terrorists and Young Conservatives were proudly wearing badges calling for him to be hanged, local authorities were on the right side of history, standing up to the horror of apartheid. Of course, the Conservative Government could not tolerate that, so, a few years later, to weaken the anti-apartheid movement, they brought in laws making it illegal for local councils to boycott South African and Namibian goods. Looking back, it is crystal clear who was on the right side of history and who was on the wrong side.

The new clause, in the name of the right hon. Member for Newark (Robert Jenrick), would ban local councils from taking such a stand. Had it been in place back in 1985, because the Conservative Government supported apartheid South Africa—let us not forget that—local councils, no matter the strength of local feeling or the righteousness of the cause, would have been prevented from divesting pension funds from apartheid South Africa. They would have been compelled to be complicit in injustice.

Government Members may argue that that is history and things are different now. I contest that the facts say otherwise. The House knows that British-made weapons

and diplomatic support are integral to the Saudi war in Yemen. Even as that war has claimed the lives of more than a quarter of a million people, pushed more than 20 million into absolute destitution and resulted in grave violations of international law, British complicity has continued. The new clause could deny councils the right to divest from arms companies whose bombs rain down on the people of Yemen. Similarly, if a local authority wanted to align its pension fund with international law and divest from companies operating in illegally occupied Palestinian lands, the new clause risks denying it that right, too.

Lloyd Russell-Moyle: The Israeli Labor and Meretz parties, our sister parties in Israel, have both written to the leaders of the Labour party and to all of us to say that they want divestment from companies that invest in the occupied territories. Israeli Members of Parliament are asking us to do this. New clause 1 goes against what they are asking us to do, does it not?

Zarah Sultana: Yes, it does, and I was proud to stand on a Labour manifesto committed to that policy, too.

With the rapidly accelerated threat of climate catastrophe and the need to consign the fossil fuel industry to the dustbin of history, new clause 1, at the worst possible moment, risks outlawing councils from standing up for climate justice and banning divestment of pension funds from companies that are setting our planet on fire. *[Interruption.]* The hon. Member for Brigg and Goole (Andrew Percy) laughs, but this is an actual threat. I am not sure if he is a climate denialist, but he should really look into that.

These are just some of the blatant affronts to local democracy and ethical investments. New clause 1 is so vague and so badly worded that it would have a chilling effect on public sector pension investments. It could be weaponised against any human rights campaign that raises concerns about pension investments in any company that is not formally on a UK sanctions list. As Amnesty International and Human Rights Watch warn, it is so badly worded that, in fear of committing an offence, pension scheme managers could be forced to break their fiduciary duties.

In 1959, an anti-apartheid campaigner and Nobel peace prize winner called Albert Lutuli put out a call for global solidarity. In Britain, hundreds of thousands of campaigners responded, launching a boycott of South African goods. People across the country did what they could do to end the injustice. In my city of Coventry, the local Labour party led the fight, distributing leaflets, holding public rallies and even displaying a large poster in the city for a whole month, publicising the boycott and raising awareness about apartheid. As so often in history, it was the actions of local people, anti-racist campaigners, trade unionists and local councils that led the way, counteracting Westminster's complicity.

Those actions, while small in themselves, were part of a global anti-apartheid movement that was instrumental in bringing an end to this injustice. We should learn that lesson. I strongly encourage Tory Members to learn the lessons of history. We should empower local councils to make democratic ethical investment decisions, not outlaw them, as new clause 1 does. *[Interruption.]* I therefore encourage Members on the Government Benches, especially the very enthusiastic hon. Member for Brigg and Goole, to vote against it.

Andy Slaughter: Perhaps I should begin by following the example of my right hon. Friend the Member for Hayes and Harlington (John McDonnell) in declaring my association with a local government pension fund. I chaired the pension committee of my local authority for a number of years. I am pleased to say that since I stopped doing that it has become much more ethical. I can now tell the House that the pension fund now has the lowest percentage of its fund invested in fossil fuels of any local authority in the UK, with the aim of net zero by 2030. I take no credit at all, other than the fact that it is now chaired by my researcher.

I should also say that I used to be member of the local government pension scheme, but I moved the tiny amount of money I had in that to the MP scheme, so I do not know whether I should declare that. I wonder if we should all be declaring that fact, given that although the MP scheme is not subject to the McCloud judgment, its trustees have said they will follow the McCloud judgment. For the avoidance of doubt, I put all that on the record. I do not think I have much time left now, but let us see.

I generally support the Bill, which is undoing mistakes that the Government made which were exposed by the McCloud judgment. I do, however, have a slight reservation. Nobody has mentioned the matters relating to judicial retirement ages. I see exactly the force of why they need to be increased, although I share the reservations of the Law Society that going from 70 to 75 will actually set back diversity in the judiciary, hopefully only temporarily, because of those who will be eligible to stay on in their roles. However, we are in such a parlous state in relation to the shortage of judges and the crisis in the courts that I can see the force of the argument.

I will be brief because, in a way, by talking too much about new clause 1, we are giving it more credibility than it deserves. It does not really deserve a place in this Bill. I suspect that the right hon. Member for Newark (Robert Jenrick) knows that, and actually, we should congratulate him on managing to squeeze it into the long title of the Bill. I felt that it was slightly surreal to be listening to a speech about the Abraham accords in relation to a technical Bill about pensions. We will have, hopefully, a three-hour debate on recognition of the Palestinian state on Thursday in this Chamber, in which it might fit, although that might be stretching it a bit as well. Perhaps he will speak in that debate as well.

3.45 pm

The right hon. Gentleman went through the history, with the 2013 Act and the 2016 regulations. The mistake that he is making in trying to put this into primary legislation is that pension schemes are already very well regulated in terms of what they can and cannot do, quite rightly, because they look after—in the case of the local government pension scheme—hundreds of billions of pounds of our constituents' money.

In 2014, following the 2013 Act, the advice, which the Local Government Association sought, said that investment powers must be directed to achieving what is best for the financial position of the fund, and that provided that this remains true, the precise choice of investments may be influenced by environmental, social and governance factors, so long as that does not risk material financial detriment to the fund.

The 2016 guidance that the right hon. Gentleman referred to said that the

“investment strategy... must be in accordance with guidance issued by the Secretary of State”,

who had the power to intervene if satisfied that any authority had failed to act in accordance with statutory obligations or guidance. The guidance also said that although

“pursuit of a financial return”

should be

“their predominant concern, they may...take purely non-financial considerations into account provided that doing so would not involve significant risk of financial detriment to the scheme and where they have good reason to think that scheme members would support their decision.”

Generally speaking, that is the way in which pension funds behave. However, the proposal goes further than that.

I referred in an intervention to the regulations that went to the Supreme Court and were defeated. I appreciate that it is perfectly acceptable—we said this throughout the Brexit debates about many of the actions relating to Brexit, and this was one of the strongest arguments against a lot of the reforms to judicial review, the Human Rights Act and so forth—to argue, as we do now, that this Parliament is sovereign and can make those decisions. Of course, it can return to the issue through primary legislation, but I urge caution. We should look again at the judgment of the Supreme Court and the reasons that it gave for making that decision.

I suspect that the clue to what the right hon. Gentleman was saying came at the end of his speech when he said, effectively, “I’m teeing this up for the Queen’s Speech. I do not expect the new clause to be passed today, but I am putting down a marker.” It is perfectly reasonable to say that because the Government did say in the last Queen’s Speech that they would bring forward such a Bill, and they have not. The Queen’s Speech said:

“Measures will be introduced to ensure that support for businesses reflects the United Kingdom’s strategic interests and drives economic growth.”—[*Official Report, House of Lords*, 11 May 2021; Vol. 812, c. 2.]

The Government explained that as delivering a

“manifesto commitment to stop public bodies from imposing their own approach or views about international relations, through preventing boycott, divestment or sanctions campaigns against foreign countries.”

That is all on the record and that is where we are, but we would be stretching things today if we approved an extremely widely drawn new clause that goes much further on this issue. The right hon. Gentleman addressed some of the background to this, but he then talked in quite lurid terms about BDS. I am sure that there are Members who support BDS, Members who do not support BDS but support others’ rights to do that, and Members who do not support it full stop, but I would not accuse any of them of ulterior motives. They have their views and they can put them forward freely in this place.

Like my right hon. Friend the Member for Hayes and Harlington, I believe that there are many regimes around the world that are inappropriate for investments of very large sums of my constituents’ money. They include the Gulf countries, which the right hon. Member for Newark

prayed in aid when he talked about the Abraham accords. They certainly include Saudi, and they certainly include China.

I raised a point earlier to which the right hon. Gentleman did not respond. I made the terrible mistake of asking two questions and he gave me only one answer, which is what Ministers do; he was probably remembering his days on the Front Bench, so it was just instinct not to respond. However, I asked a genuine question about illegal settlements. Settlements in the occupied territories—no doubt we will hear more about this on Thursday—are contrary to international law. His own Government warn investors about the financial risks, but at the moment there are no sanctions against illegal settlements. Should new clause 1 become law, we could be in the bizarre situation in which a pension fund, for good financial reasons, wishes not to invest in companies that operate in the illegal settlements, but is forced to put its assets at risk—we do not know what is going to happen—because it believes that otherwise it would not comply.

I therefore hope that the right hon. Gentleman will not press his new clause and that if he does, he will not succeed. Any hon. Member is entitled to put forward a proposal that they wish to see coming to fruition at some point, but for the Government to support something that is so nebulous, wide-ranging and potentially destructive, and that acts counter to all that public sector pension schemes do, would be a grave error. I know that the right hon. Gentleman is a very sensible and measured man, so I hope that he will not press his new clause. He can come back with a debate on BDS and tax his Secretaries of State as to why they have not taken the matter further, but his new clause does not belong in the Bill.

Chris Stephens: I will be brief, having been on the Bill Committee. First, I should probably declare that I am a member of the Scottish local government pension scheme. I have always taken the view that a pension is deferred pay. In the past few weeks, university lecturers have taken industrial action because of the threats to their pension schemes; I have been very proud to visit their picket lines and offer my solidarity and support.

I wish to raise a couple of issues. I view new clause 1 as a Trojan horse. The main points that I want to raise are my support for the amendments tabled by my good friend the right hon. Member for Hayes and Harlington (John McDonnell), and the effects on employees and workers. In Committee, the Chief Secretary assured me that discussions were ongoing with trade unions to fix the issues. I hope that he will update the House on any discussions that have taken place since then and on the progress of those talks.

A basic principle that has been identified in relation to many of the amendments is that workers should not be penalised financially for mistakes that have been made in calculations by the Government or employers. It is a clear principle for many of us on the Opposition Benches that no worker should be penalised for such mistakes and that their pensions should not be affected. I therefore support the Opposition amendments in that regard.

Mr Simon Clarke: I thank all right hon. and hon. Members who have spoken today. I appreciate the constructive way in which all Opposition parties have handled the Bill. Today's debate has focused on several important themes, which I will address in turn.

One central theme was the clarification requested by the hon. Member for Hampstead and Kilburn (Tulip Siddiq) and other Members about whether the estimated £17 billion cost of remedy will be included in future valuations of the cost control mechanism for unfunded schemes. The answer, definitively, is that it will not. The Government will reform the cost control mechanism to a reform scheme-only design for future valuations. I hope that that reassures the House.

John McDonnell: Will the Minister give way?

Mr Clarke: Very briefly, but I am conscious of the need to make progress.

John McDonnell: I just need the Minister to say that it will be an employer cost, not a member cost.

Mr Clarke: The cost of remedy sits with the employer, namely the Exchequer.

John McDonnell: Let us be absolutely explicit. With regard to the cost control mechanism, is it the case that this will be not a member cost but an employer cost? Just nod, Minister: that is all you have to do.

Mr Clarke: I can confirm that the liability for this rests with the Exchequer. It will be a reform scheme-only design. *[Interruption.]* I will write to the right hon. Gentleman with the clarification that he is requesting.

John McDonnell: Correspondence is not good enough. Put it on the record.

Mr Clarke: I will ensure that it is on the record.

My right hon. Friend the Member for Newark (Robert Jenrick) raised the important issue of guidance for the local government pension scheme which will, in effect, prevent bodies from engaging in boycotts, divestment and sanctions activities. In our manifesto, we committed ourselves to stopping public bodies running their own direct or indirect boycotts, and the wider BDS movement. I am grateful to my right hon. Friend for all the hard work that he has done to draw the House's attention to this important issue. I also pay tribute to Lord Pickles for his work.

Paula Barker (Liverpool, Wavertree) (Lab): Will the Minister give way?

Mr Clarke: I am sorry, but I must make progress.

The Government have been paying particular attention to the arguments that my right hon. Friend has put forward, and I assure him that we take this issue very seriously.

The BDS movement has nothing to do with pensions and everything to do with politics. It has had the chilling effect of legitimising antisemitism among the hard left, leading to kosher food being taken from supermarket shelves, Jewish films being censored, and the disgusting spectacle of Jewish university student societies being threatened with bans.

Paula Barker: Will the Minister give way?

Mr Clarke: I will give way.

Paula Barker: I thank the Minister. He has been very generous. Can he confirm that new clause 1 has nothing to do with BDS, a point to which you alluded, Madam Deputy Speaker?

Mr Clarke: On the contrary, it has everything to do with BDS, because, rather than promoting co-existence, debate and dialogue, it sows hatred and alienation. There is evidence of divisive BDS campaigns in public bodies, including too many Labour-led local authorities attempting to declare boycotts. Only this week we saw concerning, but sadly unsurprising, reports of a councillor in Wirral leading demands for Wirral's pension committee to pass a BDS motion. Even under the leadership of the new Leader of the Opposition, Labour politicians continue to endorse the Palestine Solidarity Campaign and call for boycotts of Israel.

Andrew Percy: I thank the Minister for confirming that the new clause does indeed have everything to do with BDS—as it should, because it is an important contribution to making Jewish people in this country feel safe. I am afraid that we heard some embarrassing comments from Opposition Members earlier, featuring the false narrative of “Everything good is always on the left, and everything bad is always on the right.” As the Minister says, we see Labour activists and Labour councillors endorsing what is a fundamentally antisemitic campaign. I thank him for his words today, and I hope the Government will accept the new clause, because it is so important to fighting the scourge of antisemitism.

Mr Clarke: I thank my hon. Friend for what he has said, and I can confirm that we will be accepting the new clause. It will have the Government's support this afternoon.

The hon. Member for Edinburgh West (Christine Jardine) raised a number of important points, but I will deal first with her new clause 4, which relates to fairness for members of public service pension schemes. This is also relevant to the point raised by the hon. Member for Hampstead and Kilburn.

Let me begin by reassuring the hon. Member for Edinburgh West that equal treatment and fairness for all members, including those with protected characteristics, remains a central tenet of the Bill. The Government have conducted a full equalities impact assessment of the Bill, which was published when it was introduced. In addition, when making the necessary changes in the scheme rules to deliver remedy, bodies will carry out any appropriate equalities analysis for their specific schemes, in compliance with the Equality Act 2010. Indeed, many schemes are currently concluding public consultations on the changes in scheme regulations to implement the prospective remedy. The Government intend that a similar exercise will take place when it comes to schemes making further changes in their scheme regulations to implement the retrospective remedy, prior to 1 October 2023.

The Bill also provides that, from 1 April 2022, all public service workers who remain in service will do so as members of the reformed schemes, which provide career average, or CARE, benefits. CARE schemes offer fairer outcomes to those who experience lower salary progression over the course of their careers. A

number of women and those with other protected characteristics are likely to be better off under CARE schemes, on average. Moving on to guidance for members, I wholly agree that clear, accessible and accurate guidance—

Tulip Siddiq: I am grateful that the Minister is answering all the questions that I posed in my speech, but I want to go back to the question that my right hon. Friend the Member for Hayes and Harlington (John McDonnell) asked. The Minister has said that he will write to us. Can he write both to me and to my right hon. Friend, and can he be explicit that this will be not a member cost but an employer cost? Can he confirm that he will be explicit when he writes to us on that particular point?

Mr Clarke: The cost sits with both members and employers, but the liability rests with the Exchequer in relation to the £17 billion cost of remedy. That is how this sits. I will indeed commit to writing to clarify all these points, and I will write to the hon. Lady and the right hon. Gentleman.

Judicial diversity and recruitment were the next issues raised by the hon. Member for Edinburgh West. I emphasise that this is an important measure for ensuring that we deal with the covid backlog in our courts, which is why we need to look at raising the mandatory retirement age. We are conscious of the need to consider the wider issues around judicial diversity and to ensure that we have a judiciary that is truly representative of the public that it serves. The Ministry of Justice publishes annual official statistics on this issue that provide a detailed annual picture.

I would like to assure members that the potential impact of what is being done is small. Compared with retaining the current mandatory retirement age of 70, a higher retirement age is projected to result in a 1% to 3% decrease in diversity growth in the medium to long term. I emphasise the word “growth” there. Overall, judicial diversity is still forecast to improve, and this measure would not reduce diversity overall. There would be only a slight reduction in the trend growth, which is going in a positive direction. We remain committed to increasing judicial diversity, and we have just launched an ambitious new magistrates recruitment plan to bring in younger and more diverse candidates. The MOJ plans to recruit 1,000 judges a year over the next few years, and 4,000 magistrates over that period. There will be a lot of change to the make-up of the judiciary.

The so-called pensions trap—the losses incurred by public service pension scheme members due to the closure of the legacy schemes—has been discussed at length throughout the passage of the Bill. The new clauses tabled by the hon. Member for Hampstead and Kilburn (Tulip Siddiq) and the right hon. Member for Hayes and Harlington appear to be intended to require the Chancellor to devise a way to compensate scheme members with remediable service for any reduction in future pension benefits resulting from the prospective McCloud remedy legislated for in clause 80. As I have noted, it is important to stress that the Government must not take action that would be contrary to the intention of the Bill to remove the discrimination identified by the courts and to ensure that all members are treated equally from 1 April this year by accruing service regardless of their age.

The Government must also safeguard the purpose of the reforms proposed by Lord Hutton and ensure that public service pension schemes are put on a sustainable fiscal footing. The Independent Public Service Pensions Commission stated that

“allowing current members to continue to accrue further benefits in the present schemes for many decades would be unfair and inequitable to the new members coming behind them.”

Compensating or carving out members with remediable service for the difference in pension age between their legacy and reformed schemes would effectively leave a protected class of public service pension scheme members beyond 31 March 2022, which could perpetuate the discrimination identified by the courts or give rise to new discrimination. It is worth noting that the Home Office is looking at this issue as we speak and will respond to its full consultation, in which the issue has been considered at greater length. I look forward to seeing the results of its work.

I turn to the contribution from the right hon. Member for Hayes and Harlington on the reforms to the cost control mechanism. The cost control mechanism is designed to ensure a fair balance of risk between public service pension scheme members and taxpayers with respect to the costs of the schemes. These reforms resulted from recommendations by the Government Actuary, and the Government are seeking to implement them following a full public consultation process. They are the reformed scheme-only design and the economic check. The economic check is essential to ensure stability and consistency across the scheme. It is also important to improve the higher bar for benefit reductions or contribution increases if the country's economic outlook changes.

On the point about the 25-year guarantee, the Government do not believe that these reforms breach that guarantee. The elements protected by the 25-year guarantee were set out in legislation, and the cost control mechanism is not included there. The Government are making these changes following a detailed review of the mechanism by the Government Actuary and a full and open consultation process.

Amendments 22 to 24, tabled by the right hon. Member for Hayes and Harlington and the hon. Member for Hampstead and Kilburn, seek to reverse two decisions. The first reflects the cost of remedies in the mechanism of the 2016 valuation, and the second prevents the waiving of any ceiling breaches of the 2016 valuations that may occur. As I have already noted, the cost control mechanism is designed both to protect the value of schemes to members and to protect the Exchequer from unforeseen costs. At each scheme valuation, the mechanism assesses the benefits that have accrued and are accruing to members, to determine whether future benefit levels or member contribution rates need to be adjusted to meet the costs of the scheme.

The Government are clear that the remedy, by giving eligible members a choice between two sets of benefits, will increase the value of schemes to members, and this increase in value has therefore rightly been included in the mechanism for the 2016 valuations. The Government have decided that it would be inappropriate to reduce member benefits based on a mechanism that may not be working as intended, and clause 93 will therefore ensure that no member's benefits will be cut or contribution rates increased as a result of the 2016 valuations.

Amendment 23, which would delete clause 93, would therefore reverse a decision that will protect members and would lead to significant cuts to member benefits for any schemes that breach the ceiling of the 2016 valuations. It is therefore important that clause 93 is preserved.

I am grateful to all hon. and right hon. Member for their contributions. With the exception of new clause 1, I hope I have demonstrated the reasons why I cannot accept these new clauses and amendments, and I hope hon. and right hon. Members will agree not to press them to a vote.

Question put and agreed to.

New clause 7 accordingly read a Second time, and added to the Bill.

New Clause 1

GUIDANCE TO PUBLIC SERVICE PENSION SCHEME MANAGERS ON INVESTMENT DECISIONS

‘(1) The Public Service Pensions Act 2013 is amended in accordance with subsection (2).

(2) In schedule 3, paragraph 12(a), at end insert “including guidance or directions on investment decisions which it is not proper for the scheme manager to make in light of UK foreign and defence policy”.’—(*Robert Jenrick.*)

This new clause would enable the Secretary of State to issue guidance to those authorities that administer public sector pension schemes, including the local government pension scheme, that they may not make investment decisions that conflict with the UK's foreign and defence policy.

Brought up, and read the First time.

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

The House divided: Ayes 299, Noes 81.

Division No. 190]

[4.7 pm

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Allan, Lucy
Anderson, Lee
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Atherton, Sarah
Atkins, Victoria
Bacon, Gareth
Badenoch, Kemi
Baillie, Siobhan
Baron, Mr John
Baynes, Simon
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bowie, Andrew
Bradley, Ben
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Bristow, Paul

Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Campbell, Mr Gregory
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishty, Rehman
Clark, rh Greg
Clarke, rh Mr Simon
Clarke, Theo
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire

Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davison, Dehenna
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donaldson, rh Sir Jeffrey M.
 Donelan, rh Michelle
 Dorries, rh Ms Nadine
 Dowden, rh Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Elphicke, Mrs Natalie
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon (*Proxy vote cast
by Christopher Pincher*)
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Gale, rh Sir Roger
 Garnier, Mark
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Girvan, Paul
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Green, Chris
 Griffith, Andrew
 Griffiths, Kate
 Grundy, James
 Halfon, rh Robert
 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
 Heaton-Harris, rh Chris

Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, Gillian
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lockhart, Carla
 Logan, Mark
 Longhi, Marco
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Mak, Alan
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Mrs Maria
 Milling, rh Amanda
 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
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Pritchard, rh Mark
 Pursglove, Tom
 Quince, Will
 Raab, rh Dominic
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richardson, Angela
 Roberts, Rob
 Robinson, Gavin
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Shannon, Jim
 Shapps, rh Grant
 Simmonds, David
 Skidmore, rh Chris
 Smith, Chloe

Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Trott, Laura
 Tugendhat, Tom
 Vara, Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warburton, David
 Warman, Matt
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wigg, Sir Bill
 Williams, Craig
 Williamson, rh Gavin
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Ayes:

Steve Double and
 Gareth Johnson

NOES

Barker, Paula
 Begum, Apsana
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Bonnar, Steven
 Brock, Deidre
 Burgon, Richard
 Byrne, Ian
 Cameron, Dr Lisa
 Carden, Dan
 Carmichael, rh Mr Alistair
 Chapman, Douglas
 Cherry, Joanna
 Cooper, Daisy
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Crawley, Angela
 Davey, rh Ed
 Day, Martyn
 De Cordova, Marsha
 Docherty-Hughes, Martin
 Dorans, Allan
 Eastwood, Colum
 Edwards, Jonathan
 Farron, Tim
 Farry, Stephen
 Ferrier, Margaret
 Flynn, Stephen
 Foy, Mary Kelly
 Gibson, Patricia
 Grant, Peter
 Green, Sarah
 Greenwood, Margaret
 Hanna, Claire
 Harvey, Neale
 Hendry, Drew
 Hobhouse, Wera

Hosie, rh Stewart
Jardine, Christine
Johnson, Kim
Lake, Ben
Lavery, Ian
Law, Chris
Lewis, Clive
Linden, David
Lucas, Caroline
MacAskill, Kenny
Maskell, Rachael
Mc Nally, John
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McLaughlin, Anne
Monaghan, Carol
Moran, Layla
Morgan, Helen
Morris, Grahame
Newlands, Gavin
O'Hara, Brendan

Olney, Sarah
Oswald, Kirsten
Qureshi, Yasmin
Ribeiro-Addy, Bell
Russell-Moyle, Lloyd
Saville Roberts, rh Liz
Sheppard, Tommy
Smith, Alyn
Stephens, Chris
Stone, Jamie
Sultana, Zarah
Thewliss, Alison
Thomson, Richard
Whitford, Dr Philippa
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Wishart, Pete

Tellers for the Noes:
Ms Anum Qaisar and
Marion Fellows

Question accordingly agreed to.

New clause 1 read a Second time, and added to the Bill.

4.21 pm

Two hours having elapsed since the commencement of proceedings on consideration, the proceedings were interrupted (Programme Order, this day).

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

New Clause 8

COMPENSATION OF LOSSES INCURRED BY CLOSURE OF LEGACY SCHEMES

‘(1) The Chancellor of the Exchequer must review how a loss incurred by a member with remediable service who is transferred to the new scheme under section 80 and—

- (a) reaches the required number of years of pensionable service to retire with full benefits under the legacy scheme, and
- (b) is unable to access the full value of those benefits because they must continue to work to retire with full benefits under the new scheme

could be compensated.

(2) The Chancellor of the Exchequer must prepare and publish a report on this review within two months of the passage of this Act and must lay a copy of the report before Parliament.’—
(*Tulip Siddiq.*)

This new clause would require the Government to review how losses arising from the “pension trap” could be compensated, and to report on the review within two months of the passage of the Act.

Brought up, and read the First time.

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

The House divided: Ayes 198, Noes 301.

Division No. 191]

[4.21 pm

AYES

Abrahams, Debbie
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Ashworth, rh Jonathan
Barker, Paula

Beckett, rh Margaret
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty

Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brock, Deidre
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Charalambous, Bambos
Cherry, Joanna
Clark, Feryal
Cooper, Daisy
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Crawley, Angela
Creasy, Stella (*Proxy vote cast by Chris Elmore*)
Cruddas, Jon
Cummins, Judith
Davey, rh Ed
David, Wayne
Davies, Geraint
Davies-Jones, Alex
Day, Martyn
De Cordova, Marsha
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doogan, Dave
Dorans, Allan
Doughty, Stephen
Dowd, Peter
Eagle, Dame Angela
Eastwood, Colum
Edwards, Jonathan
Elmore, Chris
Eshalomi, Florence
Evans, Chris
Farron, Tim
Farry, Stephen
Fellows, Marion
Ferrier, Margaret
Fletcher, Colleen
Flynn, Stephen
Fovargue, Yvonne
Foxcroft, Vicky
Foy, Mary Kelly
Furniss, Gill
Gibson, Patricia
Grant, Peter
Green, Sarah
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hanna, Claire
Hanvey, Neale
Hardy, Emma
Harris, Carolyn
Hayes, Helen
Hendry, Drew
Hillier, Dame Meg

Hobhouse, Wera
Hollern, Kate
Hopkins, Rachel
Hosie, rh Stewart
Howarth, rh Sir George
Huq, Dr Rupa
Jardine, Christine
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, rh Mr Kevan
Kane, Mike
Keeley, Barbara
Kendall, Liz (*Proxy vote cast by Pat McFadden*)
Khan, Afzal
Kinnock, Stephen
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
Lucas, Caroline
Lynch, Holly
MacAskill, Kenny
Madders, Justin
Malhotra, Seema
Maskell, Rachael
Mc Nally, John
McCarthy, Kerry
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McLaughlin, Anne
Mearns, Ian
Miliband, rh Edward
Mishra, Navendu
Monaghan, Carol
Moran, Layla
Morden, Jessica
Morgan, Helen
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Nandy, Lisa
Newlands, Gavin
Nichols, Charlotte
Norris, Alex
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Oppong-Asare, Abena
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Owatemi, Taiwo
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget

Pollard, Luke
Qaisar, Ms Anum
Qureshi, Yasmin
Reed, Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Ribeiro-Addy, Bell
Rimmer, Ms Marie
Rodda, Matt
Russell-Moyle, Lloyd
Saville Roberts, rh Liz
Sharma, Mr Virendra
Sheppard, Tommy
Siddiq, Tulip
Slaughter, Andy
Smith, Alyn
Smith, Cat
Smith, Nick
Smyth, Karin
Sobel, Alex
Stephens, Chris
Stevens, Jo

Stone, Jamie
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas, Gareth
Thomson, Richard
Timms, rh Stephen
Vaz, rh Valerie
West, Catherine
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Wishart, Pete

Tellers for the Ayes:
Liz Twist and
Mary Glindon

NOES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Allan, Lucy
Anderson, Lee
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Atherton, Sarah
Atkins, Victoria
Bacon, Gareth
Badenoch, Kemi
Baillie, Siobhan
Baron, Mr John
Baynes, Simon
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bowie, Andrew
Bradley, Ben
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Campbell, Mr Gregory
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex

Chishty, Rehman
Clark, rh Greg
Clarke, rh Mr Simon
Clarke, Theo
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Cox, rh Sir Geoffrey
Crabb, rh Stephen
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davison, Dehenna
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donaldson, rh Sir Jeffrey M.
Donelan, rh Michelle
Dorries, rh Ms Nadine
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Evans, Dr Luke
Evennett, rh Sir David
Everitt, Ben
Fabricant, Michael
Farris, Laura

Fell, Simon (*Proxy vote cast
by Christopher Pincher*)
Firth, Anna
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Gale, rh Sir Roger
Garnier, Mark
Gibb, rh Nick
Gideon, Jo
Girvan, Paul
Goodwill, rh Sir Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Griffith, Andrew
Griffiths, Kate
Grundy, James
Halfon, rh Robert
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
Heaton-Harris, rh Chris
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Jenrick, rh Robert
Johnson, Dr Caroline
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Kawczynski, Daniel

Kearns, Alicia
Keegan, Gillian
Knight, rh Sir Greg
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Levy, Ian
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lockhart, Carla
Logan, Mark
Longhi, Marco
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Mak, Alan
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
Milling, rh Amanda
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
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Poulter, Dr Dan
Pow, Rebecca
Pritchard, rh Mark

Pursglove, Tom
Quince, Will
Raab, rh Dominic
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Roberts, Rob
Robinson, Gavin
Robinson, Mary
Rowley, Lee
Russell, Dean
Rutley, David
Saxby, Selaine
Scully, Paul
Seely, Bob
Shannon, Jim
Shapps, rh Grant
Simmonds, David
Skidmore, rh Chris
Smith, Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stride, rh Mel
Stuart, Graham

Sturdy, Julian
Swayne, rh Sir Desmond
Syms, Sir Robert
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Trott, Laura
Tugendhat, Tom
Vara, Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Walker, Sir Charles
Walker, Mr Robin
Wallis, Dr Jamie
Warburton, David
Warman, Matt
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Sir Bill
Williams, Craig
Williamson, rh Gavin
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Noes:
Steve Double and
Gareth Johnson

Question accordingly negated.

Clause 6

IMMEDIATE CHOICE TO RECEIVE NEW SCHEME BENEFITS

Amendment made: 1, page 7, line 21, leave out
“in relation to the scheme”.—(*Mr Simon Clarke.*)

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 10

DEFERRED CHOICE TO RECEIVE NEW SCHEME BENEFITS

Amendment made: 2, page 9, line 31, leave out
“in relation to the scheme”.—(*Mr Simon Clarke.*)

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 14

PENSION BENEFITS AND LUMP SUM BENEFITS:
PENSIONER AND DECEASED MEMBERS

Amendments made: 3, page 11, line 33, leave out
“in relation to the scheme”.

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Amendment 4, page 12, line 26, leave out
“in relation to the Chapter 1 legacy scheme”.—(*Mr Simon Clarke.*)
This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 15

PENSION CONTRIBUTIONS: PENSIONER AND DECEASED
MEMBERS

Amendments made: 5, page 12, line 40, leave out
“in relation to the scheme”.

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Amendment 6, page 13, line 13, leave out
“in relation to the Chapter 1 legacy scheme”.—(*Mr Simon Clarke.*)
This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 16

PENSION CONTRIBUTIONS: ACTIVE AND DEFERRED
MEMBERS (IMMEDIATE CORRECTION)

Amendments made: 7, page 14, line 3, leave out
“in relation to the scheme”.

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Amendment 8, page 14, line 8, leave out
“in relation to the scheme”.

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Amendment 9, page 14, line 13, leave out
“in relation to the scheme”.—(*Mr Simon Clarke.*)
This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 17

PENSION CONTRIBUTIONS: ACTIVE AND DEFERRED
MEMBERS (DEFERRED CORRECTION)

Amendment made: 10, page 15, line 3, leave out
“in relation to the scheme”.—(*Mr Simon Clarke.*)

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 23

POWER TO PAY COMPENSATION

Amendment made: 11, page 22, line 5, leave out
“in relation to the scheme”.—(*Mr Simon Clarke.*)

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 25

REMEDIAL ARRANGEMENTS TO PAY VOLUNTARY CONTRIBUTIONS TO LEGACY SCHEMES

Amendments made: 12, page 23, line 11, leave out “in relation to the scheme”.

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Amendment 13, page 23, line 15, leave out “in relation to the scheme”.—(*Mr Simon Clarke.*)

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 30

SECTION 61 OF THE EQUALITY ACT 2010 ETC

Amendment made: 14, page 27, line 28, leave out “in relation to the scheme”.—(*Mr Simon Clarke.*)

This amendment caters for the possibility that the power in clause 129(2) to commence this Chapter before 1 October 2023 may be exercised in such a way that it comes into force in relation to a particular scheme at different times for different purposes.

Clause 77

MEANING OF “REMEDIAL SERVICE”

Amendments made: 15, page 57, line 33, leave out “the person’s” and insert “the date on which the person attains”.

This amendment clarifies the intended effect of subsection (3)(b) of this clause.

Amendment 16, page 58, leave out lines 13 to 15 and insert—

““legacy scheme normal pension age” means—

- (a) in a case in which the person meets the third condition in relation to a local government legacy scheme, the person’s normal pension age under that scheme;
- (b) otherwise, the age of 65.”—(*Mr Simon Clarke.*)

This amendment ensures that a person who was never a member of a local government legacy scheme will cease to be entitled to underpin protection after the age of 65 (regardless of their normal pension age under any other legacy scheme of which they were once a member).

Clause 85

TREASURY DIRECTIONS

Amendment made: 17, page 62, line 35, at end insert—

“(aa) the power to make scheme regulations by virtue of section 81 (further powers to make provision about special cases) and any powers exercisable by virtue of such regulations;”—(*Mr Simon Clarke.*)

This amendment ensures that Treasury directions may be made in relation to clause 81.

Clause 128

EXTENT

Amendment made: 18, page 103, line 12, at end insert—

“(1A) In Schedule 3 (judicial offices)—

(a) Part 4 extends to Northern Ireland only;

(b) Part 5 extends to England and Wales only.”—(*Mr Simon Clarke.*)

This amendment limits the extent of those Parts of Schedule 3 that list devolved offices. This will help clarify the effect of any changes made in the future to those Parts by the devolved authorities.

Clause 129

COMMENCEMENT

Amendment made: 19, page 103, line 16, leave out from beginning to “the” in line 18 and insert—

“(1) Any provision of, or amendment made by, Part 1 or 3, so far as it—

(a) confers a power to make subordinate legislation or give directions, or

(b) otherwise relates to.”—(*Mr Simon Clarke.*)

This amendment clarifies the description of provisions relating to subordinate legislation that come into force on Royal Assent under subsection (1).

Schedule 1

RETIREMENT DATE FOR HOLDERS OF JUDICIAL OFFICES ETC

Amendment made: 20, page 109, leave out lines 42 to 46 and insert—

“President of the Education Tribunal for Wales

Member of the legal chair panel, or the lay panel, of the Education Tribunal for Wales”.—(*Mr Simon Clarke.*)

This amendment reflects a change in the name of the Education Tribunal for Wales.

Schedule 3

JUDICIAL OFFICES

Amendment made: 21, page 121, leave out lines 37 and 38 and insert—

“Member of the legal chair panel of the Education Tribunal for Wales”.—(*Mr Simon Clarke.*)

This amendment reflects a change in the name of the Education Tribunal for Wales.

Third Reading

4.33 pm

Mr Simon Clarke: I beg to move, That the Bill be now read the Third time.

I would like to make a short statement about our involvement with the devolved Administrations. Officials worked closely and collaboratively with the devolved Administrations throughout the Bill’s passage, and I am pleased to report that the Scottish Government, the Welsh Senedd and the Northern Ireland Assembly have each passed a legislative consent motion. I am grateful for their continued engagement.

It has been a great pleasure to lead on the Bill’s progression through the House. I extend my thanks to hon. Members across the House for their engagement, particularly of course the members of the Public Bill Committee. This is an important Bill that consolidates

and strengthens the legal framework for pensions across all our main public services—the NHS, the judiciary, the police, firefighters, the armed forces, teachers, local government and the civil service. The Bill will ensure that those who deliver our public services continue to receive guaranteed retirement benefits that are among the best available on a fair and equal basis.

The Bill also addresses the resourcing challenges facing the judiciary, recognising the unique constitutional role of judges. It is clear that we are agreed across the House about the principles of fairness and equal treatment for public servants. Furthermore, a number of important amendments have been made, most notably to the provisions that cater for local government workers, which I am pleased have enjoyed cross-party support.

I extend my thanks in particular to my right hon. Friend the Member for Newark (Robert Jenrick), my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland), my hon. Friend the Member for Bromley and Chislehurst (Sir Robert Neill), the hon. Member for Hampstead and Kilburn (Tulip Siddiq), the right hon. Member for Hayes and Harlington (John McDonnell) and the hon. Member for Glenrothes (Peter Grant) for their detailed engagement throughout the Bill's passage. I also convey my gratitude to the noble Lords in the other place, whose excellent contributions have helped ensure the Bill is as robust as possible.

Finally, I thank the Bill team, the Office of the Parliamentary Counsel, officials across Her Majesty's Treasury, the Ministry of Justice, the Department for Levelling Up, Housing and Communities, all Government Departments with responsibilities for public service pension schemes, and the devolved Administrations for their extensive support. There is a lot of technical detail in the Bill, and the team's guidance and expertise has been exemplary.

Sir Robert Buckland (South Swindon) (Con): Will my right hon. Friend give way?

Mr Clarke: Fleetinglly, yes.

Sir Robert Buckland: On a point of technical detail, I do not wish to put my right hon. Friend on the spot, but can he assure me that early commencement provisions will be brought into effect with regard to the judicial retirement age matters? It is a matter of real public importance that we bring those measures into force as soon as possible, rather than waiting for the usual two-month gap between Royal Assent and them coming into effect? Can he give me that assurance?

Mr Clarke: Further to my opening speech, I can confirm that that is the case.

In conclusion, this Bill recommits to the principle of greater fairness between lower and higher earners and for the taxpayer, as well as the future sustainability and affordability of public service pensions. I am pleased to see the Bill reach Third Reading, and I am grateful to all Members for their contributions today.

4.36 pm

Tulip Siddiq: I echo all the thanks that the Minister has given, and I thank him for meaningfully engaging with me on this topic. I thank the shadow Treasury team, who helped a lot, all the Clerks who helped, my hon. Friend the Member for Reading East (Matt Rodda),

who gave me a lot of support throughout the Bill, and my hon. Friend the Member for Hammersmith (Andy Slaughter), who made a sensitive speech during a difficult time. I might not have agreed with everything that my right hon. Friend the Member for Hayes and Harlington (John McDonnell) said, but he made an extensive and important speech.

I hope that the Minister will reply to me in writing, being explicit about how the cost will be shouldered. This mistake is being rectified by the Government, which is why we support the Bill, but we still have some concerns about it, so we would like to hear explicitly from the Minister about how the costs will be managed and that they will not be pushed to any of the members. Finally, I thank all the public sector workers who have kept us safe through all the years, and especially during the pandemic.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Mr Toby Perkins (Chesterfield) (Lab): On a point of order, Mr Deputy Speaker, the Government announced that they were doing a review of level 3 qualifications, with a view potentially to producing a list of level 3 qualifications that would no longer be funded. That list has not yet been produced, but the sector has the impression that it will be produced very soon. It is a matter of huge interest to many right hon. and hon. Members, so I wonder whether you or Mr Speaker have had any notification from the Government of their intention to come to this House and make a statement, and whether inquiries could be made to ensure that the list is not sneaked out at 5.30 pm on Friday, as has sometimes been the case, but is announced first to the House.

Mr Deputy Speaker (Mr Nigel Evans): I thank the hon. Member for his point of order and his notice of it. I have been given no notification that there will be any statements today, but that could change tomorrow or in the rest of the week. Should that happen, the House will be informed in the usual way.

Louise Haigh (Sheffield, Heeley) (Lab): On a point of order, Mr Deputy Speaker. The bus covid recovery funding will expire at the end of the financial year, and we have had no notification as to whether the Government intend to continue it. Tomorrow is the deadline by which operators will have to notify their local transport authorities if they intend to cut services as a result of that covid funding expiring, and operators are warning that it could lead to a reduction of a third in bus services. This time last year, the Prime Minister, with his “bus back better” strategy, promised great bus services for everyone, everywhere. Instead, we are looking at managed decline. Have you had any notification of a statement from the Secretary of State to reflect the urgency of the situation?

Mr Deputy Speaker: I thank the hon. Member for her point of order and her forward notice of it. Again, I have received no notification that there is going to be a statement today, but clearly that could change for the rest of the week. Fortunately, the Leader of the House is sitting in his place and will have heard both points of order, and I am sure he will be reflecting on them during the rest of the day.

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at this day's sitting, notwithstanding the provisions of Standing Order No. 16(1) (Proceedings under an Act or on European Union documents), proceedings on the motion in the name of James Cleverly relating to the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (SI, 2022, No. 123) shall be brought to a conclusion three hours after the commencement of proceedings on the motion for this Order; the Speaker shall then put the Question necessary to dispose of proceedings on that motion forthwith; such proceedings may be entered upon, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Mark Spencer.*)

Sanctions

4.40 pm

The Minister for Europe and North America (James Cleverly): I beg to move,

That the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (SI, 2022, No. 123), dated 10 February 2022, a copy of which was laid before this House on 10 February, be approved.

The statutory instrument before us was laid on Thursday 10 February under the powers provided by the Sanctions and Anti-Money Laundering Act 2018—the sanctions Act. We laid the instrument to strengthen our response to the grave situation we see in Ukraine.

My right hon. Friend the Prime Minister has set out today the implications of Russia's actions, and he has also set out our initial response via the sanctions regime. Russia's actions are threatening innocent people in Ukraine, violating its sovereignty and undermining its security and stability, as well as the security and stability of Europe. President Putin must be halted in those ambitions, and we will use every lever under our control to that end. We will continue to work with our allies and partners to force him to halt the path of aggression.

We are acting in four ways. First, we are providing direct support to Ukraine, and in our view this is a moral duty. We have already sent defensive weapons to Ukraine, and we have trained over 22,000 troops through Operation Orbital. We are considering what further acts of support we can provide, including through our new trilateral partnership with Poland and Ukraine. We are also providing economic support. Last week, my right hon. Friend the Foreign Secretary announced that we will be increasing our support to Ukraine by £100 million. We are working closely with partners to ensure that we can quickly provide emergency humanitarian assistance if that is needed. Sadly, we could see a large-scale loss of life, a large-scale displacement of people and the destruction of vital civilian infrastructure, including schools and hospitals, so it is vital that the humanitarian response is ready to go, and we will continue to lead on this effort.

Secondly, we are providing political support to Ukraine, and we are working diplomatically to condemn Russia's aggression at every level.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): I am grateful that the Minister has emphasised the need for humanitarian support very early in this debate, because we are dealing with punitive actions. The Prime Minister himself said in his statement that, in a worst-case scenario, 44 million people could get pulled into a very aggressive war, which would mean a refugee crisis. What specific support are the British Government and their partners offering to provide to the neighbouring countries that would have to deal with the displacement of such individuals leaving Ukraine?

James Cleverly: I am unable to give specifics at this point, but we are liaising closely—I have spoken to our ambassadors in neighbouring countries, and the Foreign Secretary has been holding regular conversations with her opposite numbers in the region and beyond—and we are ready to respond with what could be a range of options depending on whether we, as the international community, are successful or otherwise in deterring further incursions into Ukraine.

Liam Byrne (Birmingham, Hodge Hill) (Lab): May I follow up the question that was well posed by the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) earlier? On the package of sanctions announced today, what specifically is that designed to deter, and what is the ultimatum that is being sent to the Russian Government today?

James Cleverly: I will come to more details of the sanctions package and what we hope to achieve with it, but ultimately we are looking to prevent further territorial encroachment and aggression into Ukraine, and to get Russian troops to withdraw back to Russia, to de-escalate and to move away from the Ukrainian border. As I will say later in my speech, if the House gives me the opportunity to progress, we are working and co-ordinating closely with our international partners in our sanctions response to ensure maximum effectiveness.

Layla Moran (Oxford West and Abingdon) (LD): I am grateful to the Minister for giving way, because this point is very relevant. I do not mean to put him on the spot—I have the advantage of looking at what the news has just said—but Putin has just now recognised the whole of the Donbas as independent, going beyond the ceasefire line and into the territory now held by the Ukrainian Government. Therefore, what we have announced is already out of date. I appreciate that the Minister may need to confer, but are the sanctions in these regulations appropriate? What is the trigger point for an escalation of sanctions? It was very clear that this House was not satisfied with what was brought forward earlier today.

James Cleverly: The instrument that we are discussing is a framework that allows us to deploy a range of measures. As I will say later in my speech, we are also giving ourselves further legislative vehicles through which we can impose punitive sanctions on Russia.

Mr Toby Perkins (Chesterfield) (Lab): Everything we have heard today has suggested that the Government have started from the point of saying, “Here’s some sanctions. We know you’re going to do more. And when you do more, we’re going to do more.” The message coming from this place could not be much feebler. I appreciate what the Minister has said about the conversations that he is having with partners across the west. Will he ensure that they know that the resolute opinion of this House is that the sanctions that have happened so far are only a start, and that much stronger action needs to come for the sake of Ukraine and for the sake of President Putin getting that message?

James Cleverly: Earlier today my right hon. Friend the Prime Minister spoke in praise of the unanimity of voice that we experienced in the House, and I echo that. I give the hon. Gentleman, the hon. Member for Oxford West and Abingdon (Layla Moran) and other right hon. and hon. Members the absolute assurance that we regard these measures as the start of a range of sanctions that we can escalate in response to what Russia does. Our desire is to deter further aggression. We said right from the start, and in the intelligence that was declassified and put into the public domain, that we were highly concerned that an encroachment purely into the Donbas was not the ultimate limit of Putin’s aggressive ambitions, and that we would act to try to deter further aggression.

Chris Bryant (Rhondda) (Lab): Will the Minister give way?

James Cleverly: I am going to make some progress.

I assure the House that we will use this and other sanctions legislation that we might bring forward to deter further actions and to encourage Russia to de-escalate.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I am very content with the leadership shown, but the point I want to understand more clearly is: is the idea to deter President Putin from doing more or to get President Putin to step back? I am not all together clear. The force of the sanctions is dictated by what we are trying to do, and I would love to hear what we are actually trying to do.

James Cleverly: My right hon. Friend makes a good point. Let me make it absolutely clear: our aim is to prevent further aggression, for Russian troops to withdraw from where they have advanced, and for them to move away from the Ukrainian border and remove that threat from the Ukrainian people. It is a series of events that I will explain further if the House gives me the opportunity.

Tom Tugendhat (Tonbridge and Malling) (Con): My right hon. Friend will know from his career in the Army that the principle of “clout, don’t dribble” is an important one to ensure that the opposition understands that we are serious. Does he agree that the ratchet could be misinterpreted as giving a free pass at an early stage, rather than drawing a clear line that needs not to be crossed?

James Cleverly: My hon. and gallant Friend makes a point I fully understand, and I can assure him the Government fully understand it too. The pace at which we ratchet up our sanctions response in conjunction with our international partners is very much to not just send a message, although sending a message is important, but to ensure the sanctions are meaningfully felt by the Russian leadership and those people around Vladimir Putin funding him and propping him up.

Chris Bryant: Will the Minister give way?

James Cleverly: I am going to make some progress. Trust me, I will give the hon. Gentleman an opportunity to intervene later.

We are providing political support to Ukraine. My right hon. Friend the Foreign Secretary is in close and regular contact with Ukrainian Foreign Minister Dmytro Kuleba and other friends and allies around the world, and I pay tribute to our ambassador, Melinda Simmons, and her team, who remain in Ukraine operating from the British embassy office in Lviv providing what support we can for British nationals still in the country.

Thirdly, we are leading on the strategic communications response to Russian actions. At every stage, working closely with our international partners, we have exposed President Putin’s plans, lies and false flags activities, and we have exposed them for what they are: a pretext for aggression and an attempt to justify what is in every respect unjustifiable. Last week I highlighted the falsehoods put forward by Vladimir Putin at the United Nations Security Council.

Chris Bryant: Will the Minister give way now?

James Cleverly: I will.

Chris Bryant: I am very grateful. One of the problems with the Government's argument is that President Putin has already said the whole of the Donbas is now effectively to be either independent or part of Russia. Two thirds of that territory is currently held by Ukrainians and a third by separatists. That is an incursion already. It feels as if what we have announced today by way of sanctions is remarkably puny, yet it feels also as if we are not going to do anything more if the Russians just stick with this. Does the Minister not understand the anxiety there is, I think across the House?

James Cleverly: I have a huge amount of respect for the hon. Gentleman, as he knows—we speak when the cameras are not rolling—but I fear he is putting his prejudice ahead of the statement I am making, because were he to listen to the points I am making and allow me to get to the point in the speech where I am explicit about this, he would understand that the UK Government's actions are not limited to what the Prime Minister has currently announced. He will hear that we are going to bring forward further legislation to further extend the measures available to us and that we are absolutely not ignoring the fact that there has already been Russian incursion into Ukraine, which we want to halt and reverse and then get those troops away from the Ukrainian border.

Robert Jenrick (Newark) (Con): The Minister is being very generous in giving way. May I press him on this point? Many of us feel the package of sanctions announced today is comparatively modest. Is the Government strategy that further sanctions will come forward in the days ahead even if Vladimir Putin takes no further steps and acts of aggression against Ukraine, or is it that the further steps that are undoubtedly being planned by the Minister and colleagues within Government will come forward only should there be an additional ratchet in the level of aggression shown towards Ukraine?

James Cleverly: I thank my right hon. Friend for giving me the opportunity to make clear our position. If this has not become clear to the House, let me make it clear now: we intend to escalate these sanctions—to ratchet up these sanctions—in response to what has already happened in order to deter further aggression and in order to stimulate Putin to withdraw the troops from Ukraine, take them away from the border and send them back home to their families and barracks in other parts of Russia.

Mr Jonathan Djanogly (Huntingdon) (Con): Will the Minister give way?

James Cleverly: I have got to make some progress, but I will give way again.

Mr Djanogly: I thank the Minister for kindly giving way. May I ask him to explain that point a little further? The items of sanction today were under the existing legislation, and what is being proposed today will enable further types of sanction. Obviously they will be worked on with foreign Governments, but will he also be looking at further sanctions from a UK perspective at the same time as looking at this with other countries?

James Cleverly: Yes. I am going to make progress, because some of the points raised in interventions will be covered in my speech. I do recognise the huge level of interest in the House from right hon. and hon. Members, and this will address a number of points raised.

Fourthly, we will use Britain's economic and financial might to hit Russia's economy hard. The new sanctions regime that the statutory instrument brings into place is a vital part of that, but it is not limited to that. The legislation follows the made affirmative procedure as set out in section 55(3) of the Sanctions and Anti-Money Laundering Act 2018. It amends the Russia (Sanctions) (EU Exit) Regulations 2019 and allows the Government to impose sanctions on a much broader range of individuals and businesses who are, or have been involved in

"obtaining a benefit from or supporting the Government of Russia",

which includes those

"carrying on business as a Government of Russia-affiliated entity...carrying on business of economic significance to the Government of Russia...carrying on business in a sector of strategic significance to the Government of Russia"

and those who own, control or act as a director, trustee or equivalent of any of those entities. That is a huge scope of individuals and entities.

Alex Sobel (Leeds North West) (Lab/Co-op): Last time I saw the Minister, he was about to enter the UN Security Council, and I thank him for how strongly he represented our country at that point.

Are the Government intending to release the Russia report on interference in UK democracy? Surely some of the names contained in it are exactly the people whom we should be sanctioning now. They previously interfered in our democracy and are clearly in hock to the Russian regime.

James Cleverly: As my right hon. Friend the Prime Minister said, we have brought forward measures that go further than the recommendations of that report. I will impose discipline on myself, even if the House is not going to impose discipline on itself, to stay focused on the statutory instrument.

Stewart Malcolm McDonald (Glasgow South) (SNP)
rose—

James Cleverly: At this rate of interventions, I do not think we will get there—

Sir Iain Duncan Smith: Before the Minister imposes his discipline, will he give way?

James Cleverly: I will give way first to the hon. Member for Glasgow South (Stewart Malcolm McDonald).

Stewart Malcolm McDonald: I am sure that what the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) would say is entirely agreeable, but can I ask the Minister specifically about what he just said about the statutory instrument? I am slightly concerned that the disinformation networks that Russia relies on—they are of strategic importance to it—including media outlets in this country, are not part of the package. Earlier the Prime Minister said, and admittedly it was correct, that whether RT can continue to broadcast is up to Ofcom, but surely we are all agreed that RT is not a normal news agency in any sense of the words as

[Stewart Malcolm McDonald]

people understand them. How can we have a sanctions package that allows disinformation networks that are crucial to Russia to be dismantled in the UK?

James Cleverly: I share the hon. Member's frustration about the level of disinformation put out through Russia Today. However, we should be very careful before we advocate that a Government should close down news channels that they disagree with. We have a well established and effective regulator, and I think the right thing to do is to rely on that regulator to do the job for which it was designed.

Sir Iain Duncan Smith: My right hon. Friend the Minister is making steady progress through his speech. I want to help him slightly, and I have a pen here in my right hand. There is one individual I have heard of before from my hon. Friend the Member for Isle of Wight (Bob Seely), who made a very good case. Will my right hon. Friend write the name of Vladislav Surkov into his statutory instrument? He is the right-hand man to Putin—I think my hon. Friend referred to him as Putin's Rasputin—who has organised the separatist movement in the Donbas area and continues to do so. Will my right hon. Friend do that to ensure that at least one person responsible for what is going on is sanctioned? The pen is here; if he is able to do it, he can.

James Cleverly: I thank my right hon. Friend for his assistance. We are lucky that both officials in the Box and *Hansard* note takers in the Gallery have taken note of that individual. I remind the House that it is a long-standing convention that we do not discuss future targets of sanctions designation by name to prevent those sanctions potentially being less effective than they might otherwise be, but I can assure him and the House that that name has been noted.

Chris Bryant: Will the Minister give way?

James Cleverly: I will make progress.

In response to President Putin's decision last night to recognise sovereign regions of Ukraine as what he claimed—but we do not agree—to be independent states and to order troops into those areas, my right hon. Friend the Prime Minister today announced the initial set of sanctions that with immediate effect will freeze the assets of five Russian banks. Four of those banks are involved in bankrolling the Russian occupation. They include Bank Rossiya, which is particularly close to the Kremlin, the Black Sea bank for development and reconstruction, IS Bank and Genbank.

Kevin Hollinrake (Thirsk and Malton) (Con): I am very grateful to the Minister for giving way; he is being very generous. I am interested to know the criteria we have applied in choosing those five banks, which are relatively small. He talked earlier about sanctions on entities of economic significance. The big banks in Russia are Sberbank and VTB. Why have we chosen five small banks, rather than the two largest ones?

James Cleverly: I would make the point that the sanctions regime set out today is the initial range of sanctions. We reserve the right to extend the individuals and entities that come under this sanctions package. I will make the point shortly that we do intend to extend the measures available to us.

Robert Jenrick: Will my right hon. Friend give way on that point?

James Cleverly: I have got to progress. I will be crucified otherwise.

In addition, over the forthcoming weeks, we will extend the territorial sanctions imposed in response to the Crimean incursion by Russia to territory occupied by Russian forces in what they claim to be the breakaway republics of Donetsk and Luhansk. No UK individual or business—no UK individual or business—will be able to deal with them until they are returned fully to Ukrainian control. We also intend to sanction the members of the Russian Duma and the Federation Council who voted for recognition of the independence of Donetsk and Luhansk, in flagrant violation of Ukraine's territorial sovereignty.

Chris Bryant: I wholly support that if that is what the Government intend to do—

James Cleverly: Yes.

Chris Bryant: I know the Minister said that, but I am just trying to check whether he intends to do that under this proposed legislation. There is a legal argument that he cannot, not least because the statutory instrument lists what is considered to be a member of the Government of Russia and it does not include members of the Duma. However, in proposed new regulation 6(3)(a), I think the Minister is intending to include anyone who promotes a policy or action which destabilises Ukraine. It would just be helpful if he could explain that.

James Cleverly: The hon. Gentleman is right that there is a difference. Those in this House understand that there is a difference between a legislature and a Government. The sanctions regime under which those sanctions have been brought forward is an extension of the pre-existing sanctions regime we brought forward in response to the aggression going into Crimea, rather than this one.

We are also ready to introduce new legislation, putting in place new measures which will prevent the Russian state from issuing sovereign debt on the UK markets. They will curtail the ability of the Russian state and Russian companies to raise funds in UK markets and further isolate Russian banks—touching on the point raised by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake)—and their ability to operate not just in the UK, but internationally.

This will not end today.

Nick Smith (Blaenau Gwent) (Lab): I thank the Minister for giving way. The Intelligence and Security Committee report is now nearly three years old. Will the Government please publish it this week?

James Cleverly: That is a very good question, but it has nothing to do with this SI.

Should Russia stage any further invasion into Ukraine, we will not hesitate to implement a comprehensive and unprecedented additional package of sanctions in close co-ordination with our allies around the world. That close co-ordination is important to ensure their maximum effectiveness.

Stewart Hosie (Dundee East) (SNP): Will the Minister give way?

James Cleverly: I have to get on. These measures will curtail the ability of the Russian state, Russian companies and Russian individuals to raise funds on our markets and will further isolate Russian banks. We will keep ratcheting up the pressure, targeting more banks, more individuals and more companies that are significant to the Kremlin, to touch on the point made by a number of right hon. and hon. Members. Russia—rather, Vladimir Putin—has chosen a path of international isolation. The measures that the Prime Minister announced today demonstrate that it will bear a cost for doing so and, if it does not step back, these measures will only increase.

Russia's aggression against Ukraine is part of a long-term strategy. We must not give ground now or try to accommodate the illegitimate concerns that Russia has put forward. Its strategy of aggression would not end. It would not stop at Ukraine. Instead, it would be emboldened. President Putin would simply focus on a new target, so we are absolutely resolute in our response. What we do now will shape European security for many years, and it will be viewed by other parts of the world and have an impact on security issues far more widely than in Europe. We must rise to the moment. We must stand shoulder to shoulder with the people of Ukraine in their desire to protect their homeland and to protect their freedom. We must, and we will, stand shoulder to shoulder with them, and I commend the regulations to the House.

5.6 pm

Mr David Lammy (Tottenham) (Lab): I begin by thanking the Government for the confidential briefings that they have provided to the Opposition on this very urgent and pressing situation.

We sit in this Chamber with dark clouds gathering over Europe. For eight years now, Vladimir Putin has illegally occupied Crimea and stoked conflict and division in Donbas. For two months, he has menaced Ukraine's borders, mustering the largest build-up of military forces in Europe since the second world war. Last night, he recognised the independence of the breakaway entities that he has created in Ukraine in a flagrant violation of international law and yet another rejection of the diplomatic commitments that he has made.

All the while, Putin has spun lies and mistruths, denied reality and fabricated justifications for his actions. In a speech to the Russian people, he sought to deny the legitimacy and sovereignty of Ukraine and the identity of its people. He concocted grievances and manufactured threats to legitimise his aggression. He spouted myriad lies to the people of Russia, with whom we and our NATO allies want only friendship and peace. And now he has followed that with the explicit deployment of Russian military forces into the internationally recognised territory of Ukraine. The prospect of tanks rolling across the borders of European states recalls the darkest moments of our continent's history. This is a crime against peace; it is an assault on international law. Let us be in no doubt: Putin bears responsibility. There can be no justification for his actions, no defence of his aggression. While the west has sought a way out of this crisis through firm and principled diplomacy, Putin has doubled down.

The dream of Ukrainians—I felt this very definitely on my trip to Kyiv just four weeks ago—is to shape their own future, to decide their own destiny and to choose the sort of nation that they wish Ukraine to be. All states enjoy that fundamental right, which is why we must be very clear that a line must be drawn at this point. Putin's assault on a sovereign United Nations member state should be condemned not just by the west, but by every single nation that has a stake in the universal principles at the heart of the post-1945 United Nations system, so Britain must build the widest possible international coalition to show Russia that the world will not tolerate this aggression.

The people of Ukraine have our complete and total solidarity. We admire their courage, we will champion their democratic rights and we will support their right to defend themselves and the democracy that they have built.

Alex Sobel: My right hon. Friend mentions the UN. At the UN last week, I met Lesia Vasylenko and Alona Shkrum, two Ukrainian MPs who impressed on me the importance of sanctions on Russian interests in the City of London. They will be disappointed today with the narrow scope of the regulations. I think that many Ukrainian MPs will want to see a far broader set of sanctions than those being proposed.

Mr Lammy: My hon. Friend is exactly right. I have already seen Ukrainian MPs saying today that they are disappointed that our sanctions regime does not go further.

We have sought to send a unified message across this House and to provide constructive opposition in the national interest. It is in that spirit that we approach today's announcement. As the Minister knows, while we welcome these measures, we believe that they are too limited and too partial—five banks and just three individuals. The Prime Minister recognised at the Dispatch Box today that this move is a further invasion of Ukraine. It is very hard to square the rhetoric with the reality of these measures.

Mr Kevan Jones (North Durham) (Lab): I have to agree with my right hon. Friend about the limitations of the sanctions on those individuals. However, does he agree that if the regulations' definition of "involved person", especially the reference to being "involved in...obtaining a benefit from or supporting the Government of Russia",

is interpreted widely with the right political will, it could take in a lot of individuals who have a lot of money salted in the UK, including a lot of the oligarchs who have property or other interests here?

Mr Lammy: My right hon. Friend is exactly right: it could, but it needs enforcement and we need to hear more individuals named. The danger in this debate is that the punishment does not befit the crime. I understand the Government's desire to maintain a broader deterrent against further escalation, but it is also clear that a threshold has been crossed. The gravity of Putin's actions requires a broader, firmer and fuller response, otherwise we risk his calculating that the rewards of aggression outweigh the costs.

Liam Byrne: My right hon. Friend is making a brilliant speech. When the new sanctioning regime was introduced, it was all about increasing our capacity to act independently

[Liam Byrne]

to sanction bad actors. Is my right hon. Friend therefore disappointed that, Magnitsky sanctions aside, we have added only three people to the sanctions list for economic crimes since 2014? That seems pathetic, given the threat we confront.

Mr Lammy: My right hon. Friend is exactly right. In this city of more than 7 million people, with at least a quarter of a million properties owned in London by foreign nationals, just three individuals have been named, when the EU has already indicated the naming of 27.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Will my right hon. Friend give way?

Mr Lammy: I will give way one last time, and then make some progress.

Lloyd Russell-Moyle: It does sometimes seem that the Government play hot and cold with Russia. They accept donations from Alexander Temerko and others, and then do not provide the fullest sanctions possible. This is not a new issue, is it? This is a long-running dispute. We know that Russia has been the aggressor here for a long time. Is there not a danger that this is a bit too late and too little, and is actually a signal to the Kremlin that it can keep getting away with its bully-boy tactics?

Mr Lammy: My hon. Friend has put it very well indeed. We must not fall into the trap of the past in taking actions that are too limited and too late, so Labour will continue to make the case for a fuller and more comprehensive package of sanctions now. President Biden is expected to announce, as soon as today, measures which will go further than those outlined by the Prime Minister. There are also reports that the EU is close to agreeing a package of measures including the targeting of more than 300 Russian Government officials and new restrictions on trading in Russian state bonds. Can the Minister reassure us that we will move in lockstep with our international allies?

Let me now turn to the actual text of the legislation. Although the Opposition of course welcome the spirit of what the legislation is seeking to achieve, we have some major concerns, and some suggestions as to how the Government could go further.

Concerns have been expressed to us that, given how the legislation is currently drafted, oligarchs who are close to Putin will find it too easy to avoid the impact of the measures. Although they may not hold a formal role in a sanctioned bank or company, they may exert significant control behind the scenes. Consequently, some of the most influential and notorious oligarchs—oligarchs who are close to Vladimir Putin, and have purposely structured their enterprises to avoid the appearance of majority ownership and control—would go untouched.

We believe that that is a crucial mistake. We know that Putin could not care less about sanctions laid against his country or the Russian people; that is one of the reasons why sanctions failed after the invasion of Crimea. The only sanctions that he really cares about are those against the richest people closest to him, and that must be the Government's target. It would be a grave error to provide any loophole that would allow these people to escape sanction.

The Government could easily close that loophole by including a new category of person in the legislation which would encompass any oligarch close to Putin who obtains a benefit from, and supports, the Government of Russia. These designations should be made without fear or favour, and should include individuals with UK interests or even UK passports. In the same way, some of the oligarchs closest to Putin could currently slip through the net cast by this legislation, and so can Russian Government officials who have supported Putin's regime and its goals. As it stands, paragraph 4 of the legislation would allow sanctions to be laid against individuals on the board of companies with certain links to the Russian Government but it would not enable sanctions to be laid against officials who enable the Russian Government to pursue their policy of aggression in Ukraine. The EU appears to be moving quickly on this, and this Government must keep pace.

It is not just Russian officials who could escape the pain of these sanctions, but also members of the Russian legislature. Paragraph 7 of the legislation defines what is meant by the "Government of Russia", but it does not include members of Russia's legislative branch, the Federal Assembly. This seems to be a remarkable oversight, and I would be glad to hear from the Minister what the rationale was for not including members of the Russian legislature in the scope of the instrument. We also have to ask what action the Government are taking to clamp down on assets owned by family members of those subject to sanctions. For example, will the Government also designate businesses that are owned by family members but controlled by a designated person?

Lloyd Russell-Moyle: The Government have yet to enact the registration of overseas entities Bill, which would require property owners and other business owners to show who the real beneficial owners of those overseas entities were. Is that not a huge weakness in our armoury?

Mr Lammy: My hon. Friend is right. Why do we have a system that is so opaque? What is the delay? I have raised this issue at the Dispatch Box at least three times, and I am happy to raise it on a fourth occasion, as my predecessor has done.

At present, this legislation provides for asset freezes of designated persons, but there is space for wider sectoral measures, such as those we have applied to other countries in the past. Will the Government bring forward other legislation to address this?

As Opposition Members have indicated, sanctions on their own are nothing unless they are rigorously enforced by the responsible agencies in the UK. Since the Office of Financial Sanctions Implementation was given powers in 2017, it has imposed penalties on only five occasions. If the Government have designed the most comprehensive sanctions package in our history, as the Minister assures us, it must be backed up by the most comprehensive resources it has ever been given. Will the Office of Financial Sanctions Implementation get those resources? What steps will the Minister take to ensure that enforcement agencies are able to function and take action under these new measures?

As my hon. Friend the Member for Blaenau Gwent (Nick Smith) has already asked, is this not the moment to publish the Russia report? Lay it before the House! Put it in the Library so that we can see its contents, and

so that we can act, move forward and worry those in the Kremlin. We believe that we must go further now. Only five banks and three individuals are facing sanctions as a result of the UK Government's actions today. This is not a big enough punishment for the blatant breach of international law that has already been made. Let us not be too slow to act and fall behind our international partners.

We should be introducing the full set of sanctions that is available to us now. Russia should be excluded from financial mechanisms such as SWIFT—the Society for Worldwide Interbank Financial Telecommunications. We should ban trading in Russian sovereign debt. Donetsk and Luhansk should be subject to comprehensive trade embargoes. Putin's campaign of misinformation must be tackled by preventing Russia Today from broadcasting its propaganda around the world. We should be working to support our allies in the EU to cancel Nord Stream 2. The Foreign Secretary says that we are in lockstep with our allies, but the reality is that our allies have gone further in sanctioning individuals in Putin's regime. Why have we not done the same?

This is not simply a matter of individuals, of course; it is about fixing a broken system. Ending our openness to fraud and money laundering, our inadequate regulation of political donations, our lax mechanisms of corporate governance and our weakness to foreign interference requires a barrage of new measures, long called for but as yet undelivered, to shut down the shell companies that obscure the origins of wealth and hide corruption, to lift the veil on who owns property and land in the UK through a transparent register, as mentioned time and again, and to bring forward an economic crime Bill that will target the corrupt elites who store their wealth under our noses.

Sadly, due to Putin's expansionism, targeting Russia may not be enough. The regime in Belarus is supporting Putin's aggression, playing host to Russian forces and potentially being set up as a springboard for a wider assault on Ukraine. Are the Government considering expanding the powers they have to designate people in Belarus should a wider invasion take place?

This is not the time for half measures. Putin has made his move, and the wider threat that Ukraine faces is immediate. The consequences for Europe and the west are stark. The effects of this moment will depend as much on our response to this aggression as on the aggression itself. Autocrats around the world are watching to see whether we meet the test of our strength and resolve. The Minister will have seen the strength across the House today. We need to go harder, deeper and broader, and we need to do so now. We stand ready to work with the Government to achieve this.

Several hon. Members rose—

Mr Deputy Speaker (Mr Nigel Evans): Quite a lot of people would like to speak in this time-limited debate. At this stage, I suggest not going beyond 10 minutes. I will not impose a time limit, but I want to get everybody in.

5.26 pm

Tom Tugendhat (Tonbridge and Malling) (Con): I welcome the Government's plans for sanctions and increased action to try to clean up the mess in which we find ourselves here in the UK. This is certainly a welcome step in the right direction, and my right hon. Friend the

Minister will remember that the Foreign Affairs Committee set out various options for how we should begin to think about this in May 2018, when we published our "Moscow's Gold" report.

I welcome the direction we are taking but, along with many others on both sides of the House, I am afraid that I find myself asking, "Why not more? Why not further?" In many ways, we are using the actions of a hostile state in eastern Ukraine to justify something we should have done years ago. The UK, sadly, has for too long been an avenue for money laundering by despots and criminals around the world. For too long and on too many occasions, we have seen our institutions, our City and our service sector used to hide the gains from corrupt practices and criminality abroad.

This has now come to a head because those criminals, those thieves, who raped and murdered the Russian people for 20 years, who did not replace the oligarchs that rose up in Yeltsin's day but merely nationalised them, have been using those same vehicles and avenues to hide the profits of their crimes—most tragically the theft of an entire country.

That act of naked brutality, that act of violence against an entire nation, an entire culture and an entire people, has sadly been allowed to profit a small number of individuals. That is an absolute tragedy. It is a tragedy for the people of Russia, who have lost so much, but it is also a tragedy for her neighbours, who are now under such pressure and such threat. It is not just Ukraine but the people of Belarus, the people of Estonia, Latvia and Lithuania and the people of Poland. It is a tragedy for those who are being weaponised in the human trafficking that we are seeing from the middle east, through Belarus and into the forests of eastern Europe. It is also, sadly, a tragedy for the people of these wonderful islands, the people of Great Britain and Northern Ireland—the people of the United Kingdom.

It is a tragedy for us because this marks what my right hon. Friend the Member for Maidenhead (Mrs May) mentioned only a few hours ago in this Chamber. We are seeing not just the aggression against Donetsk and Luhansk—not just a raid, an invasion, an opening salvo of a war that President Putin is trying to bring to Europe, in many ways for the first time in 80 years, although of course there was an exception in 2014 when he invaded Crimea and another in 2008 when he invaded Georgia; what he is doing to us, to the people of these islands, is unpicking the values and principles that our grandparents fought for 80 years ago.

President Putin is unpicking the principle that we embedded into the constitutions of the United Nations and the Council of Europe. He is unpicking the principle that the rule of law, that the debate among sovereign peoples, should be the way disputes are settled in this world. He is replacing the rule of law with the rule of force. Sadly, he is demonstrating that it works not only on the ground, but in the wallet; he is demonstrating that a leader can profit politically and personally from the abuses he conducts against his own people and his neighbours. That is why when I asked my right hon. and gallant Friend the Minister, who served with distinction in the Royal Artillery, about the classic gunner phrase "clout, don't dribble", what I was actually asking about—and he recognises it—is why do we not say immediately and clearly that what we are seeing today is wrong.

[Tom Tugendhat]

It is wrong for the people of the UK to have corrupt money flowing through our systems. It is wrong to have the profit of crime being laundered through our City and through jurisdictions overseas that depend on us. It is wrong to see the wages of war—quite literally—profiting a small cabal of thieves in Moscow. It is wrong because it undermines our security, it makes us more vulnerable and, sadly, it exposes the people we are privileged to represent to the dangers that we have, thank God, kept at bay for 80 years. It is wrong because it threatens the people of the United Kingdom.

We have set out ways to address that. We have spoken at various points about a foreign agents registration Act and about the exposure of beneficial ownership, not just in our own estates, but in the jurisdictions around the world. We have spoken about cleaning up the Companies House register and giving powers to the enforcement agencies, which could actually start to take action on this. We have spoken about all those things for many, many years, yet still we see names such as Mickey Mouse and Adolf Hitler in the list of directors in Companies House. Still we see the toleration, sadly, of fraud in too many of our institutions. Sadly, we still do not see the resources going into the policing of these different institutions.

Kevin Hollinrake: My hon. Friend is making a superb speech. One thing that often gets missed in this debate about how we crack economic crime is the role of whistleblowers. They are the most likely people to identify wrongdoing in the banks he mentions and bring it to light and to the enforcement agencies. Does he agree that whistleblower protection, and potentially remuneration, should be included in this context?

Tom Tugendhat: I absolutely agree with my hon. Friend on that. He is completely right, as usual, in highlighting that the protection of whistleblowers is an essential part of the exposure to justice of those who have committed crimes. We need to think again about crime. We need to look again at the institutions, law enforcement bodies and agencies that are charged with protecting us and think really hard about their budgets. They are not simply ways of stopping the taxman from getting his hands on a little bit more loot; they are fundamental to our national security and to the protection of our people. We need to think of them as agents of the state in the same way as we think of the armed forces or the intelligence services. We need to think of them on the frontline of the protection of the people we are lucky to represent. Frankly, we need to put the money where so often our mouths have been when we have passed Acts in this House that have not had the resources to make them not just law but actionable law.

Lloyd Russell-Moyle: I am going to bang on about the draft Registration of Overseas Entities Bill. I served on the prelegislative scrutiny Committee on the Bill with several colleagues from different parties. We agreed a set of amendments and the Government accepted them, but they failed to bring through the Bill and the powers for Companies House and the Land Registry. Does the hon. Gentleman agree that it is about not just money but the fact that the Government have been sitting on their hands in respect of powers for the relevant organisations?

Tom Tugendhat: The hon. Member is right that more legislation would help, but fundamentally we need the resources for the agencies.

Let me close by saying that I welcome the direction the Government have taken. I welcome the commitment to do more to defend the people of Ukraine, which the Foreign Affairs Committee was privileged to visit only a few weeks ago. I welcome the fact that we are standing in defence of democracy, freedom and the rule of law. But I urge my right hon. and gallant Friend the Minister to look again at the sanctions, many of which were introduced four or eight years ago by the United States Government—I was just reading the United States Treasury document that listed the subjects of sanctions in, I think, 2014—because we can go further. There is so much more that we can do.

It is of course right that we act in concert with our partners and in tandem with our allies, and that we make sure we do not expose division by acting alone, but one of the great strengths of this Government, this House and this nation is that we have running through the sinews of our economy so much of the world's finance that it puts a particular responsibility on us to stand up and defend the economic liberties that keep our people safe, enable our prosperity and build the rule of law around the world.

5.37 pm

Alyn Smith (Stirling) (SNP): I am grateful to the Minister for advance sight of the statutory instrument and for our previous discussions and briefings. I exempt him from any personal criticism in what I am about to say, which is very much a criticism of Government policy.

It is worth my stressing our agreement throughout the House: nobody in this House has any fight with the people of Russia. We had a debate a number of weeks ago in which we all agreed on that point. I have always had a long and deep affection for Russia. Scotland and Russia share the same patron saint. I did my masters in Warsaw in central Europe and have always been fascinated by the wider region. My granddad served on the Arctic convoys when we fought with the people of Russia, and was bombed twice in that effort—that is not a reference to the vodka in Murmansk, where I suspect he was bombed more than twice, frankly. We have fought with the people of Russia against fascism. In the same way as Germany's defeat was its liberation, the people of Russia have themselves been oppressed by their own Government. A successful disinformation and misinformation campaign has them dead afeared of war with us and of war arising from our aggression. In nothing that we do must we give the impression that we have any malevolent intent towards the people of Russia. I do not believe that any of us have done that today.

Equally and at the same time, we stand four-square in solidarity with the people of Ukraine. I was in Kyiv with my hon. Friends the Members for Glasgow South (Stewart Malcolm McDonald) and for Angus (Dave Doogan) just a couple of weeks ago and we met a number of politicians, members of civil society, academics and commentators. The people there are united in their frustration, because this is not a new invasion for them. The situation has been ongoing for eight years. I am troubled to see commentators and the media, and even some people in this House, talk about an invasion as if

it was a new thing. It is not a new thing: it is a clear, ongoing, flagrant breach of international law and an act of aggression for which there have been minimal consequences. I am concerned to hear these sanctions being described as new measures that will be ramped up. Where are the consequences for what has gone before? I am worried about moral hazards when we are dealing with this Administration. Mr Putin has proven to be considerably better at salami slicing than we are, so now is not the time for half measures.

The SNP will support these regulations—of course we will. We have called for action on sanctions many times since 2014 in respect of the occupation and annexation of Ukraine. We have called for action on dirty money. We have called for action on Companies House. We have called for action on money laundering and action on Scottish limited partnerships. We have called for action on an economic crime Bill and action on opaque property transactions. We have called for action on tax havens, which are under the substantial control of the UK Government, yet are allowed to do almost anything they like, contaminating our financial system. We have called for action on political donations and action on data transparency. We have called for action to protect our democracy. All those laws are held by this place, not by Scotland, so the Scottish Parliament, in its defence, cannot do much on this, but this House has been notable in its lack of action. We have called for action on misinformation. My hon. Friend the Member for Glasgow South mentioned “Russia Today” earlier. I absolutely stand by his view—it has been my own long-standing view as well—that “Russia Today” is not a normal broadcaster and should not be operating on these islands.

We support this enabling legislation. If anything, I suspect that it needs to go further and will need to be brought back in the fullness of time. I hope that the Minister is taking good notes—I am sure he is—of the genuine concern around the House, from all points of the compass. I have previously criticised the UK Government’s policy on Chinese malfeasance and illegality as being homeopathic. I struggle to find a word for this one other than it is weak tea. It is not nothing, but it is not much, particularly when set against the actions of the German Government in announcing the icing—the cancellation perhaps, but the icing certainly—of the Nord Stream 2 project, a \$10 billion project, which has huge implications for their energy security, and indeed ours, given the interconnectedness of the EU and the European energy markets. Set against that, this is really small beer, and I cannot understand it.

The UK seems to be casting about for somebody else’s leadership, because I really do not detect much in the actions and announcements that we have heard today. The UK seems to be being buffeted by events rather than forming any particular leadership.

I will close as I am conscious of time. I hope that I have not made too many party political points in this debate. It is important that we focus on the fact that we agree, and the SNP supports this measure, but there is a smell to this. There is a smell to the fact that the UK Government have allowed our financial and democratic systems to be as corrupted as they are. I was very struck by what the Chair of the Foreign Affairs Committee said in his speech. He said that it is not right that so

many things are happening in relation to dirty money on these islands, and I include Scotland in that. There is a smell to this.

I am worried about the credibility of the UK Government in the eyes of the Kremlin. The Kremlin will act on weakness; it will seize on weakness. It will take advantage of weakness where it sees it, and of a lack of integrity, viability, sustainability and resilience. We have seen plenty of that from this Government thus far. Just a few weeks ago—this is almost too far-fetched for satire—as we were deeply concerned about the further incursion of Russian forces into Ukraine, the UK Prime Minister had a call booked with the President of the Russian Republic to discuss these matters and had to postpone it because he had to deal with a report about illegal parties in his office where he was ambushed by cake. What sort of impression is being given by this Government not just to our partners, but to our potential opponents?

The SNP will always support international law. International law is part of our DNA. We have a different world view and a different ambition for Scotland, but we can put that to one side on this, because this is too important. The Kremlin regime is a clear and present danger to international law not just in Ukraine, but everywhere else. What happens in Ukraine will be watched by every autocrat everywhere around the world. We need to act on this, and we need to act properly. The SNP will support further action on this. I hope that the UK Government will co-ordinate seriously with the international community, but we have not seen today anything like what we need to see, and I urge the Minister to redouble his efforts.

5.44 pm

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I am grateful to be called at this particular point, Madam Deputy Speaker. So that I do not end up repeating them, I first associate myself completely with the remarks of my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat).

We can do, we should do and we must do more to root out the dirty money that flows through there. That is not to blame us—in some senses it goes through New York as well—but we should collectively ensure that we target those people. I am told that Putin has squirrelled away more than \$250 billion around the world through his oligarchs; they are not actually wealthy individuals, but only nominally wealthy, because it is his money, which he has stolen from the Russian state. We should seek that out and nail it down, collectively, as nations in the free world.

I say to my right hon. Friend the Minister that I appreciate the difficulty the Government are in over this matter. The Government want to play their hand carefully, and I understand that; they want to deliver such that President Putin and co. have to pull back. The question, therefore, is not whether the Government are right to want to do that—we support them in wanting to do so—but whether the means that the Government have willed to themselves are enough.

I also speak as co-chair of the all-party parliamentary group on Magnitsky sanctions, with the hon. Member for Rhondda (Chris Bryant). We have already listed names, and I genuinely and carefully question why my Government had not done more to sanction people

[*Sir Iain Duncan Smith*]

already, long before this final crisis erupted—people in Russia, China, the United States and around the world who are clearly identifiable as in need of being sanctioned under the Magnitsky rules that we passed. I am ready to give the Government a list, and I know he feels exactly the same. He probably has it there.

Chris Bryant *indicated assent.*

Sir Iain Duncan Smith: I knew he would have it. We want to see that list actioned.

The trouble right now is that we have had the debate about President Putin and the Russians invading Ukraine as though they were about to invade Ukraine. I keep banging on about this: they have invaded Ukraine. They took over Crimea in 2014 and created this nonsense about separatists in the Donbas region, loads of whom we know to be Russian soldiers, dressed up in different uniforms and creating merry hell. There is no way on earth that they would have held the Ukrainian forces off for this long were it not for the fact that they have some very sophisticated support coming in from Russia. There is an idea that somehow the Russians are invading, but they are not—they have already invaded. Therefore, we have the right to do something about it.

The question therefore is what we do about it. In 2014 we let ourselves down: we did next to nothing. I was in Government at the time and I felt concern then, but the reality is that we did not do enough. The problem in dealing with dictators is that if we do not act early and act hard, the lesson they learn is that we will never act and we will always give way at the end. When will those lessons be learned? We have been through it time and again. Dictators have a single purpose. The problem with democracy is that we have many thoughts, many ideas and many people to bring with us, but we too should have a central purpose.

I have some questions for my right hon. Friend the Minister. Much as I really support what the Government have done, I cannot understand why we have not done much more immediately. Going now and going hard should be the way. If there are other things we are planning to do, there are many others we should be sanctioning—I mentioned one individual earlier in an intervention—and many other levers we could pull.

I do not understand—but perhaps my right hon. Friend can explain to me—why we have not driven forward on the SWIFT banking system or the trading of sovereign debt, which would affect the Russians very much. I agree that the Germans have moved swiftly, as we know, to suspend Nord Stream 2—I would like to see them end the whole idea of it—but if they are going to do more, we should be co-operating with them and going in hard ourselves this one time.

Will my right hon. Friend therefore keep this statutory instrument open so that we could even return to it tomorrow, if necessary, to add to the whole process and take it even further? We have to do more and we have to do it harder than we have done now, because President Putin will not take any lessons.

I come back to the question I asked earlier. Bearing in mind that the Russians still sit in Crimea and still have areas of Donbas, which in a way they were unofficially

occupying but now have occupied, what I do not quite understand is what this first phase of sanctions is actually meant to do. I am utterly puzzled by it. Is it meant to say, “Thus far and no further”? My right hon. Friend said that it is meant to say, “Get back.” But if so, then we have to hit very hard with everything we have got, such that President Putin and his cohorts around him suddenly say to themselves, “They really mean business. They are united across the democracies.”

Layla Moran: Within 10 minutes of the Minister rising to his feet, the sanctions were already out of date because the Russians had already gone further. During this debate, Putin has already gone further than he had at lunchtime, but we are yet to see any more announcements from the Government about further sanctions. The Russians are already laughing at us, aren't they?

Sir Iain Duncan Smith: My worry is very much that they know exactly what they are doing, because they know exactly what we will do and they have already prepared the ground for this. They probably think to themselves, “We'll do a certain amount and then we'll discuss an awful lot more about what else we might do,” and then at some point a couple of countries will break ranks, go back to Putin and say, “Let's work out a deal.” After all, the Minsk deal was a terrible deal because it forced on Ukraine the loss of its own territory, not necessarily in perpetuity but saying, “Don't fuss about this any longer because we just want peace.” Peace at any price is not peace. Ukraine now faces an extended conflict and we see what is happening. A bad deal is a bad deal, and it leads to further pressure. That is what is happening.

I really do believe that the Government have to take this many notches further and hit the Russians very hard—yes, with the cleaning out of some of the Augean stables in the financial services area, but we also need to go on to grander, more supranational sanctions, working with our allies absolutely to cut off supplies of money, such that the Russians and President Putin cannot find a way through this and they feel the pain. When we hit them with these sanctions we must hear them squeal, not see them smile quietly and say, “They won't get any further.” Let us do that earlier, now.

In conclusion, and returning to a point I made earlier, I genuinely believe that the free world has been half asleep on the watch. We thought that democracy was triumphant. We thought that there was no way, in coalition with the free markets, that the rest of the world would not turn to democracy automatically and embrace it, and we would have a fair and reasonable place. We failed to realise that the idea of totalitarianism—of brutality and oppression—exists and will go on existing. Unless we fight them wherever they exist, they will rise again. In China now, they practise slave labour, they have genocide, and they persecute people and lock them up. They absolutely dominate the citizens of that country. In Russia they are doing the same, as in Belarus, Iran and many other countries that the hon. Member for Rhondda and I have discussed in the APPG. They are on the move. This axis of totalitarianism supports itself across the board. If we do not act on Putin now and with firmness, then in China they will look at Taiwan and say, “They'll never do anything; it's even further away.” Then there is Iran and the nuclear weapons, and

Belarus looking across at Poland. We must move hard, we must move now, and we must make them squeal. If we do not do that, then we will have failed.

5.54 pm

Chris Bryant (Rhondda) (Lab): I associate myself with everything that the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) has just said; I completely agree with him. Democracy is a very tender flower. We thought it was very robust and it would survive all weathers, but the truth is that it needs watering, care and tenderness. All too often, it is very easy for authoritarian regimes to trample on it and kill it.

I associate myself, too, with the comments of the hon. Member for Stirling (Alyn Smith). We have no beef with the people of Russia. The people of Russia are fine people with not only a strong culture and history, but many strong democratic traditions and understandings of what it is to be a human being and to work in solidarity with others. Our beef is with the regime; it is with Putin.

I agree that we have been recklessly naive for far too long in relation to our relationship with Vladimir Putin. It pains me—I understand why Tony Blair was doing it—that we gave him a state visit so early in his time. We wanted to press the reset button, as did Obama, and it gained us absolutely nothing; it just showed us to be weak. We have been pitiful. We have been puny. We have vacillated. We have been spineless. Quite often we have looked craven because we just want Russian money to prop up our banks, pay our lawyers and keep our consultancy firms going.

Maybe we could forgive the fact that Putin is a thieving kleptocrat—after all, most off the theft is done against his own people. It leaves his own people poorer than they were when he came to power, though. It is maybe just a matter for the Russian people that he has enriched himself beyond the wildest dreams of Imelda Marcos and Muammar al-Gaddafi put together. But three things make him truly dangerous: his territorial ambitions, his excessive use of force, and his lies and misinformation.

Just look at Beslan, where 334 hostages were killed in the end by Russian state actors, including 176 children. Just look at the Moscow theatre siege, where 130 hostages were killed by Russian state actors. Look at Chechnya—I could go on for ages—and look at Georgia. They compare the situation in Donetsk and Luhansk with the situation in Abkhazia and South Ossetia. Of course, it is exactly the same playbook: “Set up a pretext and then move in.” Look at the downing of Flight MH17. Look at the murders of Boris Nemtsov, Sasha Litvinenko, Dawn Burgess, Anna Politkovskaya, Sergei Magnitsky and so many others.

Yes, I am angered by the naivete that I sometimes see in this country. I have seen it often in this Chamber, and I have seen it also from the left. Stop the War said:

“We oppose the deployment of British forces to the borders of Russia as a pointless provocation.”

What utterly stupid naivete. Where on earth is the condemnation of the 190,000 Russian troops on the border, the annexation of Crimea, or the snipers shooting at Ukrainian forces now? This is not just naivete; it is monumental and dangerous stupidity, and we should call it out.

I confess that I was absolutely sickened by Putin’s speech last night. The Minister cannot say it, but I can: the man is deranged, unhinged and a danger to his own people, as well as to the people of Ukraine. I said in this House in March 2014:

“A Russian friend of mine says that Putin is not yet mad. That may be true, but what will our surrendering and our appeasement do for his sanity?”—[*Official Report*, 18 March 2014; Vol. 577, c. 679.]

We can now see what his madness has done. I am reluctant to use the word “appeasement” too often, but sometimes what has been done has felt like appeasement.

Putin’s argument about Russians and Ukrainians being one people—again, I understand that the Minister cannot say this, but I can—is the same as Hitler’s about the Sudetenland in Czechoslovakia in 1938. Hitler said then that he only wanted to protect the Sudeten Germans. It was a lie. Some people said so in this Chamber in 1938. Some of them laid down their life in the ensuing slaughter, and they have their shields up here. However, Chamberlain bought the lie, and the following spring Hitler took the rest of Czechoslovakia without so much as a by-your-leave. Be in no doubt: this is not a Russian peacekeeping mission; it is an annexation, an invasion and a declaration of war. Putin knows that it will lead to significant bloodshed on a massive scale because the Ukrainians are more determined to fight now than they ever have been. If anything, Putin’s behaviour over these years has reinforced the Ukrainians’ sense of solidarity.

Putin is not just interested in the parts of Luhansk and Donetsk already in separatists’ hands; of course he is not. He wants Avdiivka, which is metres across the demarcation line, where the Foreign Affairs Committee saw Russian snipers pointing at Ukrainian troops just three weeks ago. He wants Kramatorsk, where we met community leaders, including the local priest. He wants Mariupol, and of course he wants Kyiv, Lviv, Kharkiv, Odessa—the whole of Ukraine. He wants to reshape the contours of Europe by force because he thinks that that is to be his legacy.

Of course, I support the statutory instrument and I am glad we are doing this, but today’s sanctions—the ones that have been announced today, which rely on this instrument—are wholly inadequate. I think that is the message from the whole House, and I hope the Government are hearing it loud and clear. They do not match the rhetoric of what the Government are saying, and when actions do not match rhetoric, we undermine that rhetoric and put ourselves in a worse position, not in a better one.

The banks are the small change of the Russian economy, they really are: they are shrapnel down the back of the sofa. The individuals have already been sanctioned for four years by the Americans. This really is netting in the minnows while letting the basking sharks swim freely. As somebody else said, it is taking a peashooter to a gunfight. Putin, frankly, will beat this feather duster away. He will just laugh at us. In effect, Medvedev was laughing at us yesterday, even before we announced anything, because he said that the Russians will be able to wear whatever we throw at them. It is a beautiful irony, is it not, that one of the people who will be sanctioned, when the Government are able to bring their measure in relation to Members of the Duma, is Andrey Lugavoy, who was one of the murderers of Alexander Litvinenko? Incidentally, can I just say that, if anybody has not met Marina Litvinenko, she is one of the most wonderful people who have ever walked the face of this earth?

[Chris Bryant]

I think a sanctions regime in this context has to go hand in hand with, first, a proper public register of beneficial ownership of property. I do not understand from the Prime Minister whether it is his intention now to introduce that, because it keeps on being conflated with various other forms. I hope that is the plan, but it has been promised for a long time, so some of us are beginning to get a little bit cynical.

Secondly, there has to be complete reform of Companies House, so that it actually has some powers to interrogate the information given to it. As the Chair of the Foreign Affairs Committee has said, at the moment anybody could say that they are Tom Tugendhat, or Mickey Mouse—or Vladimir Putin, no doubt—with impunity.

Thirdly, there has to be real openness about the review of the tier 1 visa scheme. The Home Secretary has cited “security concerns” about

“corrupt elites who threaten our national security and push dirty money around our cities.”

That is about people who already have tier 1 visas. As I understand it, this review is complete—it was completed some time ago—and it must be published soon. We need to understand what these tier 1 visas did, and where the vulnerabilities are in the British economy. I really hope that the Home Secretary will come to the House to do that very soon.

We need a foreign agents Act, as has been mentioned, and of course we need to reform the Official Secrets Act. We have no means of tackling spies in this country. It is almost impossible to send somebody to prison for spying in this country for the Russian Government.

Tom Tugendhat: Do we not need an update of the Treason Act? A treason charge can be laid only in relation to the person of the monarch, and this Act from 1351 really does need updating.

Chris Bryant: I agree, and on all these promises of legislation, which I think it is being suggested will come in the next Session of Parliament, frankly, we need to get a bit of a bloody—sorry, we need to get a bit of a move on, because all of this should have been in place years ago. Our report came out in 2018, the Intelligence and Security Committee report came out in 2019, and we still have not done any of this. I say to the Minister that we all stand ready to help in that process. We do feel a bit as though we are dragging him to be chased, so do not run away from us, but be chased and help us to bring in the legislation that will put us in a better place.

My final point is that I do not understand the Government's ratchet decision at the moment. It is a complete mystery to me. There has already been an invasion and incursion, and we said prior to the incursion that we would hit Russia hard with sanctions. That is not what is on offer today. When the Prime Minister resigned as Foreign Secretary, he said that his greatest failure—his biggest mistake as Foreign Secretary—was his relationship with Russia. I think he has a long way to go to rescue what has happened today. We want tougher action and we beg the Government to introduce it.

6.5 pm

Bob Seely (Isle of Wight) (Con): It is a privilege to follow the hon. Member for Rhondda (Chris Bryant). It is quite clear that deterrence has failed and he is right to say that we have been naïve. I make no criticism of the Minister, but I do criticise the policy over the past 10 or 15 years. This is too little, too late. In 2007 Putin stood up at the Munich conference—this year's has only just finished—and said that he no longer recognised the post-war settlement. That was very clear. The same year, he tore up Georgia, and five years later Ukraine. It has been clear for many years that he seeks to dismember Ukraine, shatter the unity of the west and build a new sphere of influence, encompassing the former Soviet Union, including Moldova and potentially the Baltic republics, and that he wishes to ensure that in the eyes of the Russian people, the west is an existential enemy: a physical enemy, but also an enemy in its values.

Again, I make no criticism of the Minister, whom I hold in very high regard—but doing everything in our control? No. Ratcheting up the pressure? Not really. Rising to the moment? I am sorry, but please. Last week, ITV's “Peston” show explained that £1.5 billion of property in the UK has been bought by Russians accused of corruption or with Kremlin links, and nearly 30% of that is in Westminster. The Russians certainly have a sense of irony. There are 2,100 UK-registered companies involved in Russian laundering and corruption cases, involving a staggering £82 billion.

My central point is that I keep being told that Whitehall now understands the hybrid threats. I am sorry, but I do not buy that. I strongly believe that our leaders need much better to understand the Kremlin's complex hybrid conflict, which spans politics, economics, propaganda, military force, espionage, culture and religion. In Ukraine now, the frontline is the border. In Germany, the frontline is the gas pipelines. In this country, the frontline flows, like the Thames, along to the City of London. It was great to see the Home Secretary announcing the end of the golden visa scheme, but come on—that horse bolted a long time ago.

These sanctions are good, but there needs to be a willingness to use them. Will the Minister tell us how many unexplained wealth orders have been used on Putin's allies in the UK? The answer is zero. Building on everything that has been said today by the hon. Member for Rhondda and so many others, the Prime Minister has promised an economic crimes Bill. I am going to be a bit repetitive here, because it needs to be said again and again: where is the economic crimes Bill? Where is the reform to beneficial interests—true ownership for offshore properties? For heaven's sake, is it really in our national interest to have tens of thousands of properties used and owned by offshore shell trusts, hiding organised crime or the world's kleptocrats? If the Government understand hybrid conflict, what are they doing to deal with this threat?

Alison Thewliss (Glasgow Central) (SNP): The hon. Member is making excellent points. I sat on the Joint Committee on the Draft Registration of Overseas Entities Bill, and this information was well known four years ago. Does he share my frustration that despite that, there has been so little by way of action to tackle the problem?

Bob Seely: We are 15 years late. It should not take the gravest crisis since world war two for us to get our house in order; this is just good housekeeping that we should have done 20 years ago. I thank the hon. Member for making that point.

Where is the adoption of the recommendations of the Foreign Affairs Committee and ISC reports? One of the most chilling elements of the ISC report was our own National Crime Agency saying that it lacks the resources necessary to take on the oligarchs. We—our own people, the public good—are being silenced in our own country by UK lawyers in the pay of some of the richest and most malign human beings on earth. Where is the tightening of the rules at Companies House? I know we have all said this, but I want to say it again. Banks in Germany, Denmark and Sweden all laundered billions of pounds from Russia but they used UK shell companies to do so. Is it really in our national interest to have a system so open to corruption? If the Government understand hybrid conflict, what are they doing to deal with this threat?

This SI is strong and I support it, but how many foreign lobbying scandals will the UK have to endure before we realise that we need a foreign lobbying Bill, or as some have called it, a foreign agents registration Bill? The US has had one since 1938, the Australians since 2018. The only way we found out about Lord Barker's work for Deripaska was through *The New York Times*. Lord Goldsmith, a former Labour Attorney General—I make no political point here—said recently:

“I am sorry to have to take leave of absence, but felt it was the only option open to me given the choice between that or revealing privileged and confidential information.”

I understand he is off to work for the Russians. He keeps his title, but by not sitting in the House of Lords he does not have to declare. In the US or Australia he would be filling out form after form, saying what he was doing; in this country, *hasta la vista*, he is off to work for the Russians—be it the Russian Government or major Russian institutions—and what do we know? As the Russians would say, “*nichevo*”—we know nothing. We need a foreign lobbying Bill, and if we were serious about dealing with the Russian problem we would have one.

Where, too, are the measures to stop libel and data protection laws being abused by unscrupulous lawyers? Barely two weeks ago we had a very good debate on lawfare in this country, and we talked about the need for action against SLAPPs—strategic lawsuits against public participation. As the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) said, that is when legal action is used to frighten, harass or intimidate the media or civil society groups. The Government understand hybrid conflict; what are they doing about this threat?

It takes brave authors to deal with the threats from Putin's oligarchs, people like Catherine Belton and Tom Burgis, and brave publishers like Arabella Pike at HarperCollins, but others, including Cambridge University Press, have been scared away from publishing books about Putin and Russia because of the power of Putin's cliques in this country. Is it really in our national interest to have a system in which some of the world's most sophisticated law firms have reduced themselves to offering a one-stop shop of intimidation and dirt-digging to some of the most corrupt people on earth? I do not think any of these things are in our national interest. I think they need to be challenged.

We have all heard about the threat of Putin, and I agree. I feel very strongly that this threat has been obvious for at least a decade and certainly since Crimea. I wish we had taken action then. Yet again, we are doing too little too late. Rather than veering from complacency to panic and back again, being unable to decide if we want to damn authoritarian regimes or suck up to their money, we need a consistent policy that sets out in a robust and intelligent way what our values are and the need to protect our institutions and our values against this growing threat.

6.13 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): It is a pleasure to follow that excellent speech.

There is an old saying that no matter how elegant the strategy one should occasionally look at the results. The truth is that this Government threatened sanctions as a deterrent and the invasion proceeded, and this afternoon they have laid out the first of their concrete sanctions and the invasion has just stepped up. So surely the Government have got to recognise that the strategy they have laid out of deterrence has failed and they therefore need to think again and come back to this House with measures that are strong and Russia-stopping, because that is not what we have got today.

What has been so helpful about today's debate is the wide acknowledgement in all parts of the House that we are now facing an adversary in Russia that has got to be stopped. This is a country that fights us in cyber-space and on the streets of Salisbury. It is a country that meddles in elections and cheats in winning medals. It is reckless in space. It shells its neighbours. Its ambitions are limitless and its tactics are merciless. The question we have to confront is: how much longer are we prepared to tolerate the intolerable?

President Putin is not hellbent on acquiring some kind of Lebensraum. His argument is not about trying to roll forward his borders to create some living space for the Russian people. If anything, his strategy, stated as it is, is more ominous: it is to restore the gory glory of the former Soviet Union and re-imperialise the borderlands across 10,000 km of Russia's borders. That is not a secret, but we have to stop it. We have to work with our allies to put in place a regime that is going to stop this aggression now and once and for all.

That is why the package announced today is so disappointing. It has been revealing that almost no one in the House today has stood up to commend the package as good enough. Everything we have heard today has said that it is a disappointing package that falls well short of what we think is needed to deter President Putin. It is, as the old saying goes, like being savaged by a dead sheep.

The Government are not short of tools. Actually, after 9/11, one of the great legacies that Labour left was in transforming the architecture for deploying economic sanctions to deter and pursue bad people. However, as Lord Ricketts said in his excellent book late last year, it is no good having the tools if they are left in the shed. The problem we have with the Government today is that the tools are being left in the shed.

Let us look at a simple scorecard of some of the results. As the hon. Member for Isle of Wight (Bob Seely) said, how many unexplained wealth orders have been

[Liam Byrne]

implemented against friends of President Putin? A grand total of zero. Apart from the Magnitsky sanctions, which were handed to us and relate to a crime back in 2007, how many sanctions against individuals guilty of economic crime have we proposed in this country? None since 2014—in fact, a grand total of just three individuals are on that sanctions list, yet, when the new independent sanctions regime was introduced, we were promised that it would transform our capacity to take on bad people around the world. If that was true, why on earth are we not using it today?

As we have heard, the people on the sanctions list announced today have been on a US list since 2018. None of the major Russian banks has been hit with sanctions, even though they are raising liquidity in London to finance their day-to-day banking operations. If we shut them off from the liquidity of London, they would be forced to go to the central bank in Moscow, putting immeasurably more pressure on the economic structure around President Putin. The truth is that the Government have failed to take aim and target the commanding heights of President Putin's kleptocracy and that is a mistake for which the people of Ukraine are now paying.

At least 120 oligarchs should be on the Government's sanctions list. At least four major banks—VTB, VEB, SberBank and Alfa-Bank—should be sanctioned immediately. That is the pressure that we need to ramp up to send a serious message. Today's failure would not be so serious if it were not part of a much broader failure. Can anyone in the House tell me: who is the Minister responsible for tackling economic crime? It used to be the right hon. Member for Wyre and Preston North (Mr Wallace), who is now the Secretary of State for Defence. He had a title: Minister for Security and Economic Crime. However, that ministerial role has been deleted from the current ranks of Her Majesty's Ministers. The new Minister is the Minister for Security and Borders.

We are told that the National Economic Crime Centre is comprehensively under-resourced for what it is trying to do. The National Crime Agency, we are told, makes a calculation as to whether it can afford the legal costs of a case before it prosecutes unexplained wealth orders. Literally, it is being scared off by the scale of the lawyers it opposes in court. The regulator Companies House does not check the information that is filed in front of it. We have journalists who are being silenced in English courts, for so long sanctuaries of justice, now arenas for silence. As we have heard so eloquently from others, we have no timetable for the economic crime Bill.

To judge the Government even on their own terms, let us look at the economic crime plan that they put forward. The analysis of the Royal United Services Institute is that 60% of the measures in the plan have not been implemented. Let us go through a couple of the points that are missing in action: clarifying the sanctions supervision powers—not done; reviewing the criminal market abuse regime—not done; developing a sustainable, long-term resourcing model for economic crime reform—not done; improving the policing response to fraud—not done. It would be laughable it was not so serious. This is not a Government who are serious

about taking on economic crime and there are people around the world who are now paying the price for that negligence.

We need three things now. First, we need clear leadership. We need a Minister for economic crime, tasked with bringing forward the economic crime plan to this House at the earliest opportunity. Secondly, we need to start using our intelligence capabilities to light up who the bad actors are around the world. The fact that London and New York are the centres of financial transactions worldwide and the fact that we are the home to the SWIFT financial messaging system mean that we have unrivalled insight and intelligence into who is doing what with whom and where. Why are we not bringing those intelligence packages together and tasking them out to pursue these people? Thirdly, we need a final piece of the strategy that is modelled on the counter-terrorism strategy from a few years ago. The Contest strategy is deemed a good strategy. Its four principles—preparing, protecting, preventing and, crucially, pursuing—are good principles. The Government must now bring forward a Contest strategy for tackling economic crime. That is really what we needed as part and parcel of the sanctions legislation the Minister laid before the House today.

It was, as I have said before in the House, 33 years ago, back in 1989, that President Gorbachev went to the Council of Europe in Strasbourg and gave us a vision about a common European home that stretched from the Irish Atlantic coast to Siberia. It should be a place, he said, where there is the rule of law, our great gift to the people of this world. Those days are now gone. From Kaliningrad to Kamchatka, what we now have is a great kleptosphere taking shape. It is a place where might is right, where, as the saying goes, the strong do what they can and the poor suffer what they must. We now have a task to perform in this country. It is a task we perform with our allies for the benefit of billions of people around the world—to take on the kleptosphere in new and aggressive ways. That battle is already under way, but it is time the Minister now stepped up that fight.

Several hon. Members rose—

Madam Deputy Speaker (Dame Eleanor Laing): Hon. Members have been most disciplined in keeping their speeches to around 10 minutes, but I hope that now Members will keep their speeches to around eight minutes. We have managed without a formal time limit and it would be better if we could continue without one. If people keep to around eight minutes, everyone will have an equal chance to speak.

6.23 pm

Robert Jenrick (Newark) (Con): Thank you, Madam Deputy Speaker. The virtue of speaking late in the debate is that I can keep my remarks mercifully short.

I would like to associate myself with the many excellent and eloquent speeches we have heard, most of which I agree with almost entirely. Today is a sad day—a sad day most of all for the brave people of Ukraine, whose sovereignty is threatened and whose democracy and freedom are undermined. It is a sad day for the order we have known since the 1990s, which many right hon. and hon. Members have spoken of, which now seems shattered, damaged and diminished. It is also a sad day for the people of Russia. I am pleased to associate myself with

the remarks of the many right hon. and hon. Members across the House who have said that we wish no ill on them and that we are sad to see the state of their country now. Twenty years ago, I lived and worked in Russia as a lawyer. Back then, Russia was by no means a democracy of the kind that we would recognise, but it was a more hopeful place than the Russia that we see today. It was a country in which one could do business and travel and in which young people were broadly optimistic about the future. After listening to President Putin's remarks last night, I think we see a very different country, drifting darkly into authoritarianism.

I want to speak about two points and to reiterate those that Members across the House have made. The first is about understanding exactly what the Government's strategy is today. The Prime Minister spoke of a ratchet. If we are going to take action, we should take action hard now. That is what a dictator such as Putin can understand. Deterrence by way of sanctions thus far has failed. It is probably likely to fail. It does have value, however: it shows resolve and inflicts cost on Russia. If we are going to do that, why would we not do it strongly now?

I do not understand why we would suggest that we will introduce the other measures that the Government are considering only in the event that Russia makes further incursions into Ukraine or makes further serious, egregious assaults on Ukraine or other allies in the region—[*Interruption.*] My right hon. Friend the Minister shakes his head. If, as I understand it, the Government will introduce those measures in the hours and days to come, perhaps because they require further thought or legislation or because we want to act in concert with our allies—for example, to make sure that the sanctions are synced exactly with those that the United States might bring forward—that is an entirely sensible and defensible policy.

Sir Robert Buckland (South Swindon) (Con): I am listening with great care to my right hon. Friend's important contribution. Does he agree that we could go even further and, with international action, impose positive obligations on Russia to withdraw from the regions in question, stating that, otherwise, further sanctions would follow? Would that not seize back the initiative in a positive way rather than passively waiting for things to happen?

Robert Jenrick: My right hon. and learned Friend's point has a lot to commend it. I suggest to the Government that they introduce further measures as quickly as possible, preferably in concert with our allies.

Bob Stewart (Beckenham) (Con): My real worry is that Putin has actually been very clever: he has advanced into an area that his forces effectively control already and he will stop there. That would divide our allies—for example, Hungary and Germany may not agree—and we would not be able to get sanctions agreed internationally. That is the real worry and why he is not perhaps as mad as we think. He is actually doing this with purpose and he has a plan.

Robert Jenrick: My right hon. Friend makes a good point. If the scenario that plays out is the first of the ones that I described, there will be little opportunity to introduce further sanctions, because this may be all that Putin intends to do.

I want to make a last point on the specifics of the package that was announced, and I am afraid that I will repeat the comments of right hon. and hon. Members across the House. The banks that have been chosen are relatively minor. I worked as a corporate lawyer, including in Russia, and these are not the primary banks that international institutions, major corporations or the major oligarchs go to to seek finance, so the impact will be relatively limited. I have not seen the latest debates from the United States, but when I last looked at them, our colleagues and friends in the US Senate, for example, were looking at pursuing some of the larger banks such as SberBank. If we were going to make any impact, it would be important to bring forward measures against one, two or more of the larger banks, which are genuinely those that major institutions and the oligarchs whose names have been mentioned in this House today are more likely to use for finance.

Secondly, the list of individuals is very small, and the lion's share of them have already been sanctioned for a long time by the United States. There are many others we could reach. In my work as a lawyer and in business, as managing director of Christie's, I had the pleasure—if we can call it that—of meeting a number of the individuals who have been described today as oligarchs. Those individuals are not on the list. There is a much larger group of individuals we could and should now be reaching, and we could tackle them in a range of ways. In many respects, what they most fear is losing the ability to travel—to leave Russia and go skiing in France or Switzerland or shopping in London or Paris. It does not have to be a full sanction, but the list that we are currently considering is far too small.

If we were sitting in the same room as the Russian leadership today, I think we would see a very nonplussed reaction. There is more we can and should do. I hope that further measures will be brought forward in the coming days; I certainly stand ready, as I think all colleagues across the House do, to support them.

6.30 pm

Layla Moran (Oxford West and Abingdon) (LD): It is a pleasure to speak in this debate. I hope that the main thing that we are getting across to the Minister is our collective sense of the urgency of acting and, frankly, our full support for the Government doing so much more than they have done today. I put it on the record that the Liberal Democrats stand with the people of Ukraine and that we stand ready and waiting to impose the greatest possible sanctions on Vladimir Putin, his associates and the Russian economy if necessary.

We have to lead from the front. In that vein, we must take decisions that are going to be painful. So far we have talked the talk, but I am afraid that today's list of sanctions was thin gruel. I do not think that it has done anything; I do not even think that there is a line in the sand. Within hours of the sanctions being announced, as the Minister rose to his feet just a couple of hours ago, even more had been done by Putin—and, incidentally, even more has been announced by our allies.

We have to do more. If we do not say that enough is enough now, what will be enough? Is it when Russia has invaded Donbas? Is it when it invades Kyiv, Lviv, Tallinn? Which is it and where is the trigger? We have some clarity in this debate, in so far as that if it does not pull

[Layla Moran]

back, time seems to be a trigger. That is good, but I am afraid to say that I do not think we have done anything that will have any effect at all.

Putin's cronies must be subject to the strongest possible sanctions now, because it is through them that Putin and his inner circle keep their wealth. If we go after his associates, we go after him. Actually, we are rather uniquely placed to do so, because they choose London. They live here—it is “Londongrad” to them. That means that we have leverage. However, the reason for that leverage is more difficult for us to swallow: our country's failure over many years to stand up for what is right has led us to this point. The blind eye turned, the questions not asked, the quick buck or donation made—that is how Putin's associates have been able to sink their teeth into our society, our economy and indeed our democracy to such an extent.

Late is better than never, so of course I am glad that the Government are now deciding to do more, but there is so much more still to do. Some £1.5 billion of UK property has been bought with suspicious Russian wealth, according to Transparency International, and that is just the tip of the iceberg. I do of course welcome the sanctions announced today, but Germany's first tranche of sanctions was Nord Stream 2. Up to this point, for the last two weeks, the narrative was about how we had done more than Germany, but this is round one in the boxing match: Germany has brought Nord Stream 2, and we have brought five banks that do not really matter and three people whom the United States had already sanctioned.

We have heard the Foreign Secretary say that the Government want to impose severe sanctions; well, now is the time. Let me be helpful, and say that I think we need to start by heeding the names of those who were identified by Alexei Navalny and his team as “key enablers” more than a year ago. There is a problem, outside this Chamber, with naming those individuals, because many of them have very deep pockets and very expensive lawyers. The speech of the hon. Member for Isle of Wight (Bob Seely) underlined the issues involved, and I am well aware that the Minister knows of them, but I am going to use my privilege to name 35 of those individuals, because I think it important for us to have their names. I can reassure you, Madam Deputy Speaker, that I have already checked this with the Clerks.

Here are those 35 names: Roman Abramovich, Denis Bortnikov, Andrey Kostin, Mikhail Murashko, Dmitry Patrushev, Igor Shuvalov, Vladimir Solovye, Alisher Usmanov, Alexander Bastrykin, Alexander Bortnikov, Konstantin Ernst, Victor Gavrillov, Dmitry Ivanov, Alexander Kalashnikov, Sergei Kirienko, Elena Morozova, Denis Popov, Margarita Simonyan, Igor Yanchuk, Victor Zolotov, Oleg Deripaska, Alexei Miller, Igor Sechin, Gennady Timchenko, Nikolai Tokarev, Alexander Beglov, Yuri Chaika, Andrei Kartapolov, Pavel Krashenninnikov, Mikhail Mishustin, Ella Pamfilova, Dmitry Peskov, Sergei Sobyenin, Anton Vaino and Andrey Vorobyev.

I thank the House for its patience. Some of those people have been named before under privilege, but I believe that it is important for all of them to be named, lest we forget that while Putin's national security council engaged in that sham discussion—a discussion which, by the way, seemed to have been filmed hours before it

was aired—Navalny was being tried, and faces potentially another 15 years in prison. We must be vigilant for any attempt by Putin to use this crisis as a cover for what would be, in effect, the murder of Navalny.

I urge the Government to recognise that now is the time to freeze, and begin the process of seizing, the assets of not just those three individuals, but all Putin's cronies who are in the UK. We must kick them—and their families—out of this country, and publish the review of the golden visa scheme. Over the weekend the Home Secretary said she would present a statement on that to the House, but we have yet to see it. I hope we will see it this week, because it is time to make it absolutely clear that the era of Russian interference in our society, country and democracy is over.

My final plea, which echoes a plea already made by others, is for the Government to bring forward all the legislation that remains outstanding—legislation which is in the Conservative party manifesto and which Ministers have said from the Dispatch Box that they want to pass. It should not be so difficult to do something that the Government have said time and again that they want to do. Where is that register of beneficial ownership? What has happened to the Registration of Overseas Entities Bill? We know that it is ready; please can the Minister accelerate its passage, and also the passage of the economic crime Bill? We stand ready and waiting for the Government to do more. Our democracy is at risk and so is the international rules-based order. I urge the Minister to heed our calls and do more.

6.39 pm

Mr Jonathan Djanogly (Huntingdon) (Con): Can I say how heartening it has been to hear so much support for the brave Ukrainians who really need our help at this difficult time? When I looked at the regulations, a thought process arose and my key question was if, or to what extent, it was correct for us to amend existing regulations specifically to deal with Russia and especially those connected with Russia. I appreciate that there are some complicated questions to be asked here. For instance, to what extent are the actions of Russia interchangeable with those of President Putin? Can we say that what the kleptocratic dictatorship that he has established and developed, supported by a coterie of sycophantic oligarchs, wants is the same as what Russia wants? I think that most people, on any rational assessment, would say yes. In Russia, civil society, democracy, a free press and financial regulations have all gone to virtually nothing, while corruption, police statism, rotten judges and political gangsterism have reached new heights. It is frankly a brave person who now stands up in Russia to make any kind of criticism of President Putin, who sees himself in place for life.

There are other questions that go to assessing the status of Russian individuals, many thousands of whom live in the UK. Some of them may well be supportive of Putin's regime, but there are many others who are not. In fact, many Russians are here to escape the clutches of Putin's regime. On the other hand, the sources of those people's wealth may lead to yet more questions concerning criminality, albeit criminality that is unconnected to Putin or indeed Ukraine. I urge the use of caution and due process in the way that those Russians here are treated. For instance, just throwing them all in prison, as the UK did with all the Germans resident here at the

beginning of world war two, is not going to work and would not enhance our democratic reputation. On the other hand, there comes a tipping point towards war when individual interests are to some degree going to be affected or subsumed just by being a citizen of the country concerned. It seems that these regulations are effectively preparing the ground for that to happen.

I support these proposals and feel that ultimately, in the circumstances, they are appropriate. Moreover, I am ever more of the belief that the lacklustre response of the UK, the EU and the US to Russia's 2008 invasion of Georgia and its 2014 Ukraine incursion is one of the main reasons that we are here today. It was lacklustre in terms of sanctions and also of military and economic support. Ukraine's and Georgia's borders were accepted by Russia—and indeed by the world community—and we should have been much tougher in protecting their integrity and their sovereignty.

The problem with dealing with dictatorships is not a new one. If they see a gap, they will take it; if they see a weakness, they will exploit it; and they can generally move faster than democracies. Russia clearly wants to have a series of weak, poor, corrupt countries along its border and to act like it was still 1980. We cannot let that happen. These regulations will provide the framework for sanctions, but not the sanctions themselves. That will depend on the ability of western-facing democracies to act together. This is now the challenge for our Government, but I have to say that, on their performance so far, I believe that it is one they can and will deliver.

6.44 pm

Mr Kevan Jones (North Durham) (Lab): Like others who have spoken, I welcome the regulations that we are discussing tonight, but I am underwhelmed by the announcement today of the Government's sanctions. I have to say that I do not really understand the ratchet option. What we need now is a hard stop and tough action against the Russian Government.

These regulations are long overdue. I agree with the hon. Member for Isle of Wight (Bob Seely) that we are closing the stable door after the horse has bolted. What is happening in Ukraine today was summed up well by the right hon. Member for Maidenhead (Mrs May), who said that we are seeing not just an attack on the sovereignty of the independent state of Ukraine, but an attack on our western values and the right of free people to decide their own future.

This has not happened by accident. We had the Foreign Affairs Committee's 2018 "Moscow's Gold" report and the ISC's long-delayed 2020 report on Russia—I sat on the latter Committee—and those reports laid out all the issues. I am baffled by the Government's reluctance to act against the Putin regime.

I agree with the hon. Members for Tonbridge and Malling (Tom Tugendhat) and for Stirling (Alyn Smith) that we have no problem with the people of Russia. In fact, I would say the Russian people are the victims of Vladimir Putin and his regime. We have to understand that over the past 10 to 15 years this individual has been in control with a group of kleptocrats around him. If we are to get him to wake up and listen, we have to attack those individuals.

The hon. Member for Oxford West and Abingdon (Layla Moran) named some of those individuals, and they are known to people. It is not a great secret, as my

right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne) said. There is an option to identify individuals under proposed new regulation 6(4):

"For the purposes of this regulation, being 'involved in obtaining a benefit from or supporting the Government of Russia'".

There is no way that any of these individuals, who are doing business in Russia and have laundered money sitting in this country, could operate without supporting the Government of Russia, so I think there is an option to do it under these regulations. *[Interruption.]* The Minister is gesticulating that that is the point, and I agree with him, but the big issue is not whether it is in the regulations but whether it will be acted on by the Government. I am sorry, but this Government's record so far has not been good.

There is an opportunity to do what the hon. Member for Oxford West and Abingdon suggests, and we now need to see action. The Russians will be baffled by the limitations on the sanctions that have been announced, and some of them will be laughing. They will think, "That's what the UK has announced today. We'll do a bit more and they'll do something else tomorrow." No, we need a hard stop now, and these regulations give us that opportunity, but the Government have to follow through.

Ken McCallum, the director general of MI5, was interviewed for the *Daily Mail* last week. He is the head of the Security Service, and he was venting his frustration in public that the laws to tackle spying are outdated, that the Official Secrets Act is no good, that the promised espionage Bill is not forthcoming—as someone said, the United States has had such an Act since 1938—and that there are issues with beneficial ownership and the reform of Companies House.

Those things were all laid out in the Foreign Affairs Committee's report, and reinforced in many ways by the ISC's 2020 report. We have a Government who seem to be sitting back. The invasion of Ukraine has now focused their attention, but we cannot allow this to continue. As the right hon. Member for Maidenhead said, this is an attack on our way of life and our democracy, which we all take for granted.

We will support these regulations tonight, but we also have to take action. The Government should make legislative time for the economic crime Bill and the other measures, as I am sure they would have united support on both sides of the House to get them on to the statute book. We now need action, not talk.

The Government also have to ensure that their communications are a damn sight clearer than they have been to date, because otherwise we are feeding our enemies who are now threatening the brave people of Ukraine.

6.49 pm

Kevin Hollinrake (Thirsk and Malton) (Con): It is clear that Putin is not afraid to weaponise his foreign policy through his armed forces, and through oil and gas supplies. It is therefore only right that we look to weaponise our foreign policy in this regard using the City of London. It may well be that, as the Minister said, we will go further quickly, but so far we have not gone far enough. Of course it might not be in our financial interests to do this. Some financial interests—some of our domestic financial organisations—might suffer, but their financial interests cannot supersede the national interest.

[Kevin Hollinrake]

When we have looked at sanctions on Russia before, not least in 2015, following the invasion of Crimea, we did not go anywhere near far enough. We did not sanction Russia's oil and gas supplies, which make up 70% of its exports. We sanctioned things such as exports of milk—clearly, that is never going to go far enough. While Russia has been reducing its dependency on our capital markets, because it saw something like this happening in the future, countries in the EU, in particular, have not been doing the same with their dependency on Russian oil and gas exports.

Lots of people have talked today about Nord Stream 2. Obviously, I welcome the fact that there will be a sanction on that, in terms of preventing it from ever—at this point in time—pumping gas. However, we should not forget that no gas is travelling down Nord Stream 2 now and that all the gas comes into Germany on Nord Stream 1. Again, those oil and gas exports will continue into Germany and other nations. Clearly, there is a huge economic need for that gas going into Germany, but it is incumbent on us and on every nation across Europe—every peace-loving nation—to reduce our dependency on Russia in every economic area.

Russia is not a large economy—its economy is smaller than that of Italy—so there are many things we can do to put further pressure on Russia through sanctions. These are things we have not done today—we have not discussed the potential for them today at all. People have talked about the SWIFT payment system. Clearly, Russia has other opportunities and can use other communications systems, but none the less addressing this would help. Preventing Russia from trading in sovereign debt has been mentioned, but what has not been mentioned is access to clearing banks. It would be catastrophic for Russia if we prevented its access to our clearing banks. Instead, we have sanctioned five very small banks. There may be good reason for that; there may be more provisions we need to put in place before we can apply further sanctions to the larger banks, and clearly there is interdependency between Russian banks and banks around the rest of the world.

The banks that we should be looking at are: VEB, which is the Russian development bank; the Russian Direct Investment Fund, which is the sovereign wealth fund; and, as a few Members have mentioned, Russia's retail banks. SberBank has roughly 36% of SME—small and medium-sized enterprise—lending in Russia, with VTB having 20% of consumer loans. Clearly, we have to do this carefully and it may well be that we act in concert with other parties, not least the US, the EU and others. If we simply put sanctions on today, that could mean that Russian banks avoid having to settle debts to UK banks and banks in different parts of the world. Although we do not want to do anything that would cause systemic risk to UK financial markets, we are talking in the billions of dollars here rather than in the trillions, and there are other ways of shoring up our system to prevent that happening. However, what is important now is that there is no doubt that we need to go much, much further than we have done already.

Bob Stewart: Mr Putin may well have won, because we have not reacted hard enough. Small banks have been sanctioned, but we have not put in place real sanctions.

So he will be sitting in Moscow tonight thinking, "I've just got to sit this one out and I will be able to play up the gains we have got extremely well to the Russian people." We are really on dangerous ground by our weakness.

Kevin Hollinrake: That is certainly how it looks to me at this point in time, so it is important that we now move very quickly to take the further measures we have discussed today on the Floor of the House.

There is, of course, a wider context around this debate. Many Members on the Government and Opposition Benches have been calling for an economic crime Bill and talking about the failure to prevent economic crime. It is vital to make sure that measures such as sanctions are not subverted—that our banks follow the rules, basically. That would apply a lot of pressure on banks to make sure that sanctions are properly imposed. I have previously mentioned whistleblowers, the proper resourcing of our crime agencies, and the need to change the rules on unexplained wealth orders so that we can take wealth very quickly from people we identify.

I have outlined some more long-term measures that it will take some time to implement, but we could move very quickly with a register of overseas entities. We have previously had draft legislation—Members have mentioned being on the scrutiny Committees—so we could move really quickly. As has been mentioned, £1.5 billion-worth of property in the UK is owned by Russians who are connected to crime and corruption. Some 50% of that is registered in overseas territories and Crown dependencies, the public registers of which are not supposed to go live until 2023. The reform of Companies House would serve as a check and balance, and the move from register to regulator would mean we could properly establish the identities of directors and shareholders.

All those things I have mentioned could and should be done very quickly. That would have a meaningful effect on people connected to the Russian state. We need to act very quickly—we need action this day.

6.56 pm

Stewart Hosie (Dundee East) (SNP): I am going to do something slightly unusual and speak about the statutory instrument, although I shall make some brief introductory remarks. I welcome the measures, as far as they go. I do not think they go far enough, but I think the Minister will have already picked up that message from around the House. I welcome what he said about working together and being in lockstep with our allies. The problem is that Gennady Timchenko, Igor Rotenberg and Boris Rotenberg were sanctioned by the United States in 2018. With the measures before the House today, we are not even playing catch-up with where we need to be.

I am frustrated, and there is a general frustration, because, notwithstanding what the Minister said today—that he may go further with sanctions on the basis of what Russia has already done—there is a perception that Russia has to do more and worse before we really ratchet up what we are planning to do. Either Russia has invaded the sovereign territory of an independent nation state or it has not. We do not need to see the tanks encircling Kyiv for tough action to be taken. Russia has already invaded and annexed parts of a sovereign state.

The right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) said—I think I caught him correctly—that perhaps \$250 billion had been sloshed about outside Russia. I fear that does not come close to the mark. In 2017, the US National Bureau of Economic Research suggested that \$800 billion had been stashed offshore since the collapse of the Soviet Union. Some people will have moved their money for good reasons. Some people will have been terrified—there will be fear. There will be crime involved and fraud and all sorts of things happening. However, a great deal of that money may well have been placed overseas, in the hands of trusted custodians and friendly overseas businesses—the *modus operandi* of the KGB prior to the collapse of the Soviet Union.

This is where I will ask the Minister a question about the instrument itself. When it comes to sanctioning individuals and to freezing cash or other assets that are at the beck and call of the Russian state, no matter whose name they appear to be held in, will this legislation actually do what is required? The explanatory notes suggests that an “involved person” now includes a person who is or has been involved in

“obtaining a benefit from or supporting the Government of Russia.”

Regulation 4 says:

“For the purposes of this regulation, being ‘involved in obtaining a benefit from or supporting the Government of Russia’ means”—among other things—

“owning or controlling directly or indirectly...or working as a director (whether executive or non-executive), trustee, or equivalent, of...a person”.

The word “trustee” is interesting. Will this legislation allow the Government to freeze an asset if it is held in the name of an individual who appears to be completely clean, but who the Government have information to suggest is a Russian-trusted custodian of what is, for all intents and purposes, a Russian state asset?

Can we have clarity on this? I think that this goes back to the point that the right hon. Member for North Durham (Mr Jones) made earlier. Will this instrument actually allow the Government the tools that they need to freeze the assets that are required to be frozen to punish Russia for the invasion of Ukraine?

7.1 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, and I congratulate all right hon. and hon. Members on their contributions.

I want to make it clear that, having come from a place where I have lost loved ones to terrorism, where I have grown up with the threat of attack, where I have experienced the righteous anger when I have learned of senseless death, I am not a person who wants to see any community facing this. I do not want to see Ukraine facing this either. My heart is with the decent people of Ukraine whose lives are nothing more than pawns in a game, who will potentially lose their homes, their jobs and their loved ones as they seek simply to retain the ability to live their lives as Ukrainian citizens.

One of my very vivid memories as a child is seeing images of the six-day war, during which untrained women and young children took up arms to defend their nation. I remember thinking that this was amazing.

It was only when I grew older that I realised that war is no place for anyone, let alone for untrained civilians, children and families.

Never did I imagine that I would again be at home watching a TV screen with images of elderly women and young teenagers being taught the rudimentaries of taking up arms to defend themselves, their homes and their nation against unacceptable aggression. This image did not inspire me as it did when I was a child. Instead, it saddened me that life for that lady will never be the same after she pulls that trigger—possibly—and does what she must do to protect herself and those whom she loves in Ukraine.

This time round, there is a difference for me. I am no longer a boy with dreams of a glorious war, when I did not really understand what it was. I am a man living with the scars of war, as others do in this Chamber. I am thinking here of the right hon. and gallant Member for Beckenham (Bob Stewart).

Just today, I have been contacted by constituents urging us to do the right thing by the Ukrainian people, as, in doing so, we are doing the right thing by democracy. There is nobody in this House who believes that we should do nothing and allow Putin to carry out his plans for Ukraine. The call of freedom and democracy is far too loud, and the question for this House is how we respond.

It is clear from all the comments we have heard so far that, with respect to the Minister and the Government, the steps that are being taken are understandable but do not go far enough. I welcome the sanctions outlined in the statutory instruments, and I welcome these steps, but it must be made clear that they are initial steps—the first stage in what we do. They must be a precursor to decisive action taken with our allies, because it is clear that Russian aggression will not dissolve in the face of what will equate to a parking fine for a millionaire—irritating, but in no way life-changing. That disappoints me.

While we must not rush to war, we must not rule out the need for our troops, along with our allies, to remind Putin that democracy is something we have laid our lives down to protect before and that, if necessary, we will do so again. I firmly believe that NATO should invite Ukraine to join it, or Ukraine should apply to NATO and be accepted. Upon that acceptance, NATO troops could carry out NATO manoeuvres in Ukraine, support our allies against the aggression of Russia and protect the 44 million Ukrainians.

Bob Stewart: I thank the hon. Gentleman, my good friend. As I know, having spent a lot of time working in NATO, the problem is that NATO requires unanimity for any action. There are 30 members, and one of them is Hungary, which has already said it supports Putin. That will hamstring any action whatsoever.

Jim Shannon: I thank the right hon. Gentleman for that intervention. He always brings his wisdom and his knowledge to these debates. At the same time, I am the eternal optimist in this world; I always believe in better things to come—it is probably my nature—so I believe that NATO can reach out collectively and strongly to support that request from Ukraine, if it comes.

[*Jim Shannon*]

Putin has met with Macron, spoken with the PM and Zoomed with America's president, yet those discussions have only allowed him more time to plan and co-ordinate, and time to wage his misinformation war online to stir up Russians who believe his lies and will stake their lives for the honour of their nation—honour that has not, in reality, been impinged by any actions of the Ukrainian people. We can debunk their videos by looking at timestamps and comparing sound files, and it is clear that misinformation is the cause of the day.

Putin has lied to us, he has lied to his own and he will continue to lie to fulfil his agenda. We cannot take anything he says at face value. We must make the most of the alliance of NATO, the EU and the USA. I have been heartened to see the American President remember that, rather than mere "Brits", as he calls us, we are, he states, America's greatest ally. We must be united in the steps that are taken. We must show Putin that division over our exit from Europe or any other issue will not stop the NATO alliance and our determination to meet these acts of aggression in a responsive and suitable manner, as our shared responsibility.

I am thankful for the Prime Minister's statement of our defence capacity and state of readiness, and I am proud that our troops are well known to be the best in the world. Putin knows that too; while we consider sending troops, he must know there is a mechanism to make that happen if he does not immediately pull back from his nefarious aims.

I support these sanctions, but only as part of a clear and forceful plan to stand against Putin's aggression and with those who stand for democracy. If we are silent now, there is no doubt in my mind that the forced reunification of the USSR will be the only end to Putin's scheme. We have a duty to act. We must act with caution, with wisdom and with a cool head, but President Putin must be under no illusion: the British people will meet our obligations through this country and through NATO, with the co-operation of others and the USA, and take action in defence of the very same principle, so important and so critical, that our grandparents fought for and won the victory for—freedom itself.

7.8 pm

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): I first thank the Minister for his courtesy and that of his officials in discussing the measures before us on a number of occasions over recent weeks, and I pay tribute to the FCDO staff in country, who have been doing so much in difficult circumstances. He can be assured that, as we spoke as one earlier on the overall response to the aggression of Putin's Russian regime, we speak as one in wanting these measures to succeed, and we in the official Opposition support the principle of them today.

As my right hon. Friend the Member for Tottenham (Mr Lammy) said in opening the debate, we sit in this Chamber with

"dark clouds gathering over Europe".

We must be in no doubt about the clear and present danger not only to the sovereignty, territorial integrity and people of Ukraine, but to the rest of Europe.

Ukraine is not some far-flung land; the ties between Ukraine and my home of Wales are strong, deep and enduring—not least with the Donbas region, given our shared coalmining heritage. Indeed, Donetsk itself was founded by a Welshman, John Hughes, in 1869, on the site of an older town, and Luhansk was twinned with my own city, Cardiff, for many years. Cardiff residents have helped civilians hit by the impact of war over the past eight years, and Luhansk residents sent aid to help striking miners in south Wales in 1980s. These links run strong and deep.

I think too of young, optimistic and proud Ukrainians whom I taught in Ukraine in the early 2000s—of what horrors may now befall them and their families if Putin carries out further bloody and hostile acts. But I am absolutely sure that Ukrainians are proud, they are motivated, and they will resist; they will not welcome an imperialist invader with open arms. I think of the Russian and Ukrainian mothers who may see sons and daughters return, tragically, in coffins because of the paranoias and obsessions of this one man. Who is next: Moldova, Georgia again, our Baltic NATO allies or Finland? Those who had not already read Putin's bizarre, dangerous and historically revisionist essay should be left in no doubt by his words yesterday evening or by the finally revealed truth emerging from the façade of lies built by him and his associates over recent weeks while others had entered into good-faith diplomacy and the pursuit of peace, mutual security and respect.

We need to wake up to what we now see unfolding before our own eyes. This is an invasion, not an incursion. These are not peacekeepers. In response, we must be bold, decisive, urgent, and under no illusions about the fact that only the toughest of measures that hit the pockets, property and privileges of those who facilitate and sustain the Putin regime may yet convince them to think again. They cannot and must not be able to use London or the United Kingdom as their bolthole. We must accept that the previous measures did not work and did not go far enough. Indeed, the section 46 report provided with these sanctions makes this clear, stating that the existing measures under the 2019 regulations have not achieved the desired outcomes. The Minister should be in absolutely no doubt—I am sure he is not, as he has heard the unanimous and powerful voices from all parts of the House—that we must go further, deeper and faster if we are to respond to the scale of the threat and have an impact on preventing further bloody escalation. I am afraid that, as we have heard, we have started too low and too slow. We have a chance to turn that around, and we as the Opposition will work with the Government to ensure that tough measures are implemented.

The Minister will have heard time and again questions about objectives and the desire to see the ratchet mechanism explained more clearly, so I hope he can do that in his concluding remarks. He said earlier that the objectives were to prevent further invasion and to seek withdrawal. Will he be absolutely clear about that and what the steps will be if further actions are taken? What will he do to deal with the asset flight by individuals and entities who are not sanctioned today, and banks that may be cashing in that are not included on the list and should have been? We have heard many names mentioned by hon. and right hon. Members. What is the implementation and enforcement mechanism in relation to these sanctions,

not only here but in our overseas territories and Crown dependencies where many of these people are stashing their money? He has said much about further lists and further legislation. When are we going to see the legislation that allows us to target the members of the Duma who voted for this illegal recognition?

We need to be moving in lockstep with our allies. According to reports, the EU has today announced 27 individuals and entities that it will be targeting. Why are we not doing all that and more? What discussions have we had with the United States today about new measures that President Biden will be announcing? How are we going to further resource and expand our own sanctions unit to ensure that we can respond as needs be? I have asked questions about this and we have not been able to get clarity on the number of officials and the resources that it is getting.

There have been reasonable questions raised on a number of other technical matters. New legislation is unlikely to affect oligarchs close to Putin who do not hold an official position in a company and who own less than 50% of the shares. Will the Minister clarify that point? I have seen him shake his head a number of times during the debate. I am happy if he wants to correct and clarify anything, as it is really important that we get clarity on these matters. I understand that officers in companies who set policy but are not on the board cannot be sanctioned under the new legislation. Will he clarify that point? What is the situation regarding family members of sanctioned individuals? Will they also face sanctions?

We have heard powerful speeches from across the House. The hon. Member for Tonbridge and Malling (Tom Tugendhat) made a tough and powerful speech saying that we need to put our money where our mouth is. The hon. Member for Stirling (Alyn Smith) joined in the agreement that we need to take tougher measures. The right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith), who is no longer in his place, spoke about the oligarchs holding Putin's money stolen from the Russian state and where we need to be hitting, and again asked questions about the objectives and consequences. My hon. Friend the Member for Rhondda (Chris Bryant) said that we have been recklessly naive for far too long, and also said that he could not understand the ratchet mechanism. The hon. Member for Isle of Wight (Bob Seely) and many others gave powerful and strong messages to the Minister, and I hope those have been heard and that the Minister has heard the will of the House today.

We stand ready to work constructively with the Government to urgently pass tougher and broader measures, whether that is under the regulations today, the Magnitsky sanctions regime or urgently considering further legislation needed to take action. We will work with the Government on those things. We are at a critical juncture. We need to act decisively and robustly. We know the Putin playbook—we have seen it in operation in Georgia, in illegally annexing Crimea and in supporting violence in the Donbas since 2014. Thousands of civilians and soldiers have already lost their lives.

For two months, Putin has menaced Ukraine's borders, mustering the largest build-up of military forces in Europe since the second world war. Last night—we all saw the footage—he sent his troops to invade a sovereign democratic European state, in flagrant violation

of international law and in violation of the diplomatic commitments that he and his own Government have signed up to over decades. The Minister served honourably and gallantly in the Royal Artillery, and I am sure he will agree that peacekeepers do not come into a country alongside artillery and tanks. It is absolute nonsense, and we can all see it for what it is. It is a crime against peace and an assault on international law, and the people of Ukraine have our complete solidarity. We admire their courage, we will champion their democratic rights, and we will support their right to defend themselves and the democracy they have built.

The effects of this moment will depend as much on our response to this aggression as they will on the aggression itself. Autocrats around the world are watching to see whether we meet this test of our strength and resolve. It is not a time for half-measures or naivety as to President Putin's intentions. We should believe what we see written on the tin and act accordingly. Members on the Opposition Benches and across the House will stand with the people of Ukraine. We will stand unified in this country in the face of this aggression. Of that, Vladimir Putin and those who sustain his kleptocratic, corrupt and authoritarian regime should be in absolutely no doubt.

7.16 pm

James Cleverly: With the leave of the House, I will make a few concluding remarks and address some of the issues, queries and concerns that have been brought up by hon. and right hon. Members on both sides of the House. Those in the House who have been in government know that it is never a particularly fun experience at the Dispatch Box being questioned and criticised by both sides of the House.

Liam Byrne: Try sitting on this side.

James Cleverly: No.

The House may be surprised to hear that I have taken a huge amount of positivity from the exchanges today, because this House has once again spoken with such a commanding, concerted and collaborative voice in support of the territorial integrity, sovereignty and independence of Ukraine and in support of the Ukrainian people. More than that, this House has demanded of the Government that we go further with our sanctions—that they are harder and inflict greater economic pain on the individuals and entities in the Russian system who have done so much damage not just to the Russian people, but now also to the Ukrainian people. I am happy that is the tone of the House because I can confidently inform the House that it is demanding something of the Government that the Government are absolutely determined to do. It is pushing at an open door.

A number of questions have come up repeatedly, so I will address them.

Bob Seely: Will the Minister give way?

James Cleverly: I will rush on, because I was excessively generous earlier. The question was asked: will these sanctions be escalated only in response to further aggression? I can assure the House that these sanctions will be ratcheted up because of what has already happened, and not just in response to what might happen in the

[James Cleverly]

future. Our intention is to prevent even further invasion of Ukraine, to have those troops who are in Ukraine removed, and then to have them return to their home barracks once they are back in Russia. That is our ultimate aim, and the ratchet effect will be done to pursue that as a strategic aim.

There have been questions about asset flight. We are very conscious of this, and that is why we are not explicitly naming people or institutions that may be subject to future sanctions. It is also why it is very important that we work hand in hand with our international allies and friends, who are just as determined as we are to address this situation.

The shadow Foreign Secretary, the right hon. Member for Tottenham (Mr Lammy), compared what we have announced today unfavourably with what our allies say they are going to announce. If I were to say that this sanctions package is as far as the Government are willing to go, that might be a legitimate criticism, but the point we have made is that, just as our friends and allies intend to go further, we intend to go further. I have given some suggestions about where that additional ratchet effect may be focused, but we reserve the right to explore whatever is necessary to dissuade further aggression and to force Vladimir Putin to withdraw the troops that have entered Ukraine.

Questions were asked about the application of this statutory instrument in the OTs. This SI does cover the OTs. Members asked whether individuals who may not be in direct managerial or ownership roles would be subject to these sanctions. This SI is worded specifically to be broad in scope. I think implicit in the question my hon. Friend the Member for Huntingdon (Mr Djanogly) asked was that it might even be too broad in scope, but I can assure the House that it was written specifically to be broad in scope so that the ownership maze often put in place to hide the beneficiary of ownership can be addressed.

There have been some questions about family members. A family member is caught within scope where they are acting for or deriving benefit from their relationship with the Russian Government. However, just being the relative of someone who may be subject to sanctions is not necessarily enough on its own. There need to be reasonable grounds, and we always act with reasonableness, although we do act with firmness.

In the debate, it has sometimes sounded as if the only Russians subjected to UK sanctions are the ones who were named by my right hon. Friend the Foreign Secretary this morning. It is worth reminding the House that 58 entities and 186 Russian individuals are currently subject to financial sanctions under the Russia regime, including the ones designated today. There are already limitations on the activities in the UK of SberBank, VTB bank, Gazprombank and others, and as I say, we will not speculate on where future sanction designations may land.

Across the House, my right hon. and hon. Friends—including my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) and my hon. Friends the Members for Isle of Wight (Bob Seely) and for Tonbridge and Malling (Tom Tugendhat)—have called on us to do more, and their message was absolutely echoed, very effectively and eloquently, by the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), my shadow, the hon. Member for Cardiff South and Penarth (Stephen Doughty), and the hon. Members for Stirling (Alyn Smith) and for Oxford West and Abingdon (Layla Moran). I hear—the Government hear—exactly the points that they are making.

The hon. Member for North Durham (Mr Jones)—

Mr Kevan Jones: Right honourable.

James Cleverly: Right honourable. Exactly. It is appropriate to say that; apologies. The right hon. Member for North Durham made a point about what this framework enables us to do. This is the point we are making: this is legislation that enables us to apply sanctions very widely indeed and we will always do so in the way we believe to be most effective: that is, hand in hand with our friends and allies. We will repeat the message that the people of Ukraine have suffered enough. The aggression and intimidation must end. This will form part of our response to Vladimir Putin's aggression. We will work towards a time when the people of Ukraine no longer live under the intimidation of Vladimir Putin, and indeed, as has been made clear by a number of Members around the House, the people of Russia can again enjoy a relationship with other countries around the world not tainted by the actions of this individual.

Question put and agreed to.

Resolved,

That the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (SI, 2022, No. 123), dated 10 February 2022, a copy of which was laid before this House on 10 February, be approved.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Dame Eleanor Laing): With the leave of the House, we shall take motions 7 and 8 together.

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

LOCAL GOVERNMENT

That the draft North Yorkshire (Structural Changes) Order 2022, which was laid before this House on 24 January, be approved.

PENSIONS

That the draft Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022, which were laid before this House on 17 January, be approved.—(Gareth Johnson.)

Question agreed to.

Murder of WPC Yvonne Fletcher

Motion made, and Question proposed, That this House do now adjourn.—(Gareth Johnson.)

7.26 pm

Allan Dorans (Ayr, Carrick and Cumnock) (SNP): May I begin by paying tribute to and thanking all the police officers who at this very moment are policing our streets and putting themselves at risk and in danger to protect others and to keep us all safe?

I declare an interest in this matter: in January 1972, I joined the Metropolitan police as a police cadet, on the same day as John Murray, who features prominently in this speech. We trained together for over a year and became friends. Mr Murray is present this evening in the Under Gallery. In addition, I was a serving detective sergeant in the Metropolitan police on duty and nearby on the day Yvonne was murdered.

In 1984 Yvonne Fletcher was a 25-year-old police officer who had served in the Metropolitan police for seven years and had recently become engaged to be married. In the words of her late mother, Queenie,

“Yvonne loved being a policewoman. It was her life.”

On 17 April 1984, Yvonne and her policing partner and friend PC John Murray had paraded for duty at Bow Street police station expecting to undertake their normal duties as community police officers in the Covent Garden area. However, instead, they were requested by the duty inspector to assist in the policing of a political demonstration which was expected to take place outside the Libyan People's Bureau in St James Square. The bureau, formerly known as the Libyan embassy, had been taken over and was under the control of a new revolutionary committee consisting of four individuals, including a senior official known as Saleh Ibrahim Mabrouk.

Just after 10 am, about 70 anti-Gaddafi demonstrators congregated behind barriers on the pavement directly opposite the bureau. WPC Fletcher and PC Murray were positioned on the road in St James Square with their backs to the bureau and facing the demonstrators. At about 10.20 am, two windows on the first floor of the bureau opened, and Sterling sub-machine-guns were pointed out of those windows and opened fire towards the crowd of demonstrators and the police officers standing between the bureau and the demonstrators. Yvonne, who had her back to the bureau, was struck in the back by a bullet and fell to the ground. PC Murray, who was standing next to her, immediately went to her assistance and with colleagues moved her to the safety of a nearby street. An ambulance attended and PC Murray accompanied Yvonne in the ambulance, where it was clear that she had sustained injuries that were likely to prove fatal. At that time, PC Murray promised Yvonne that he would find whoever was responsible. That promise became the basis for the campaign for justice for Yvonne that Mr Murray has continued tirelessly and relentlessly for 37 years.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): I congratulate my hon. Friend on securing this debate, which I know carries great personal meaning for him as a former officer with the Met. PC Fletcher unfortunately paid the ultimate price in the name of public service, and it is shameful that even now, more

than three decades on, the onus remains on her former colleagues and not on the Government to continue to fight to hold those responsible to account. I am keen to know whether the Government intend to open an inquiry into the matter, which I am sure my hon. Friend will push for tonight.

Allan Dorans: I totally agree with my hon. Friend.

Yvonne was conveyed to Westminster Hospital, but sadly she succumbed to her injuries on the operating table about an hour after arriving at the hospital.

Bob Stewart (Beckenham) (Con): I have studied the matter at length and must say that the bravery of that lady after she was wounded was astonishing. I understand that all she was concerned about was the safety of other people. What service. How wonderful for the Metropolitan police.

Allan Dorans: I thank the right hon. Gentleman for his intervention and for holding a previous Adjournment debate on this matter.

The fact that the shots that murdered WPC Fletcher and injured others were fired from the Libyan People's Bureau is not disputed and is supported by overwhelming eyewitness accounts, videos and forensic evidence. Immediately following the events of 17 April, Saleh Ibrahim Mabrouk, along with other members of the bureau, was deported to Libya. Mr Mabrouk was subsequently allowed to return to this country by the British Government and in 2011 he settled permanently in Reading. As there was evidence that he was involved in a conspiracy, we must ask why he was ever allowed to return.

Jim Shannon (Strangford) (DUP): In Northern Ireland, we have had more than our full share of murder and heartache. It must be remembered that our officers, past and present, offer to pay the ultimate sacrifice in their service. The fact that WPC Fletcher was willing to sacrifice her life will never make that sacrifice acceptable and negate the need for justice for her family. When the hon. Gentleman asks for a public inquiry, I want him to know that I fully support him.

Allan Dorans: I thank the hon. Gentleman for his intervention. I will address that matter later in my speech.

Sir Mike Penning (Hemel Hempstead) (Con): As the hon. Member—my friend—knows, I have been involved in this issue for many years; before that, Sir Teddy Taylor was trying to get justice for the murder of Yvonne Fletcher. The question I have to ask—I asked it when I was the police Minister and I have asked it in parliamentary questions—is: why was that man allowed to come in and out of the country? He was not just a suspect in the Yvonne Fletcher murder but accused of other criminal activities, and yet he walked in and out of this country. That is why an inquiry is vital.

Allan Dorans: I thank the right hon. Gentleman for his intervention. I agree. Hopefully we will get answers to those questions.

In 2015, Mr Mabrouk was arrested by the Metropolitan police following an investigation of money laundering and in connection with the murder of Yvonne. Following a two-year investigation, it was announced by the Crown

[Allan Dorans]

Prosecution Service in 2017 that no prosecution was possible due to evidence withheld by the Government on the grounds of national security not being available to it. Mr Mabrouk was therefore released without charge.

There is no suggestion that Saleh Mabrouk fired the weapons that killed Yvonne. He was in police custody—perhaps intentionally and conveniently—when the shots were fired. However, there is significant evidence that he, as a senior member of the revolutionary committee responsible for the control of the people's bureau, was involved in the events that led to the shootings taking place. He is a clearly a major suspect in a criminal conspiracy that led to the death of Yvonne.

Following the failure of the Government to support a criminal prosecution, the only avenue available to bring Mr Mabrouk to justice of any kind was for John Murray to initiate a civil court action against him. Accordingly, in November 2018, while Mabrouk was still resident in this country, John Murray lodged a civil court action against him in the High Court for the nominal sum of £1. The civil court action was brought primarily to bring the evidence of Mabrouk's involvement in the death of Yvonne into the public domain and to prove that he was involved in, and liable for, Yvonne's death. Very shortly after the case was filed on 9 January 2019, the Home Secretary wrote to Mr Mabrouk at his address in Libya informing him that he was excluded from the UK on the grounds that his presence here would not be conducive to good public order due to his suspected involvement in war crimes against humanity in Libya.

On 1 July 2020, I asked a question at Prime Minister's questions in relation to reopening the criminal investigation into the murder of Yvonne. The Prime Minister, in response, said:

"The murder of WPC Yvonne Fletcher was sickening and cowardly."

He agreed to meet me to

"see what we can do to take the matter forward."—[*Official Report*, 1 July 2020; Vol. 678, c. 327.]

We met in the Prime Minister's office on 29 September 2020. My memory of that meeting is very clear. I asked the Prime Minister a series of questions, the most significant of which was: would he carry out a review of whether evidence, which had been withheld by the Government from the Crown Prosecution Service during the criminal investigation into Saleh Mabrouk on the grounds of national security in 2017, could now be released as Saleh Mabrouk had now left the country and had been excluded from returning by the Home Office. He replied that yes, he would do that and would reply to me.

On 10 November 2021, the civil court case brought by Mr Murray against Saleh Mabrouk took place at the Royal Courts of Justice and was presided over by an experienced senior judge, the honourable Justice Martin Spencer. Despite being properly served with notice of the court proceedings, Saleh Mabrouk failed to respond. He was also given the opportunity to appear by video link, but again no response was received. The trial judge's conclusion was that Mr Mabrouk had chosen to play no part in the trial, and that the trial could fairly proceed in his absence. Mr Justice Spencer delivered his judgment on 16 November 2021, which runs to 25 printed pages.

These are just a few of the highlights from that judgment. Mr Justice Spencer said:

"I am satisfied on the balance of probabilities that there existed a common design to respond to the planned anti-Gaddafi protest by using violence, and specifically by firing shots at or in the direction of the protestors. Witness statements and statements made by Mr Mabrouk demonstrate not only his knowledge of the common design, but also his views of the inevitability of that response."

He quoted Mr Mabrouk as saying: "We have guns here and there's going to be fighting," and said that:

"This is a statement confirming a plan to shoot protestors."

The judge went on to say:

"Coupled with his position as one of the few leaders of the Revolutionary Committee controlling the People's Bureau, it amounts to confirmation of the common design to fire upon the demonstrators, in which he was an active participant. On that basis, I am satisfied that on the balance of probabilities the defendant"—

Saleh Mabrouk—

"is jointly liable for the shooting of WPC Yvonne Fletcher on the doctrine of common design."

That was a hugely significant judgment delivered by a senior High Court judge, having heard evidence from witnesses over three days. It was clear that Saleh Mabrouk was involved in, and jointly responsible, for the death of WPC Yvonne Fletcher. It is without doubt a landmark victory secured as a direct result of John Murray's determination, courage and commitment to seek justice for his murdered friend and colleague.

I ask the Minister to address the following questions. Given that the evidence presented and accepted at the High Court has been available for over 37 years, how can the Government justify that it was left to John Murray, himself a victim in this case, to bring Saleh Mabrouk to justice in a civil court, rather than see him prosecuted in a criminal court? Will the Government undertake to review whether the evidence withheld from the Crown Prosecution Service in 2017 can now be safely released, as requested by me and agreed by the Prime Minister at our meeting on 29 September 2020? Has Saleh Mabrouk ever been provided with a letter of comfort or letter of assurance by the British Government, which guarantees that he will never be prosecuted in a British criminal court?

Will the Government acknowledge that the judgment delivered by Mr Justice Spencer confirms Mr Mabrouk's culpability in the murder of Yvonne Fletcher, and in the light of that, what action are the Government and the Metropolitan police now taking to bring Saleh Mabrouk to justice by requesting his extradition from Libya to face a criminal prosecution for the murder of WPC Fletcher? Will the Government now reconsider the need for a public inquiry into the events surrounding the murder of WPC Yvonne Fletcher and subsequently?

Before the Minister responds, I pay tribute to John Murray, who, for the past 37 years, has worked tirelessly and relentlessly to achieve justice for Yvonne and without whose efforts the callous murder of a young policewoman, for which no one has ever been charged, may have faded in people's memories. I also thank the police officers who have served for their service—some of whom are present in the Public Gallery this evening—and those who have helped and supported John through these incredibly difficult years to keep the memory of Yvonne and the campaign for justice for Yvonne alive.

Finally, in addition to seeking answers to those questions, my hope, in bringing this debate to the Chamber this evening, is that it will send a powerful message to the Government and to Saleh Ibrahim Mabrouk that the murder of Yvonne has not been, and will never be, forgotten. The campaign for justice for Yvonne continues. It will never give up; it is not going away; and it will continue the fight, by any legal means possible, to finally achieve justice for Yvonne.

7.41 pm

The Minister for Crime and Policing (Kit Malthouse):

I congratulate the hon. Member for Ayr, Carrick and Cumnock (Allan Dorans) on securing this debate and recognise his indefatigable efforts to secure justice for PC Fletcher and her colleagues, friends and family. I thank him for the advance indication of his questions, which I will come to in a moment, and join him in celebrating the dedication and perseverance of PC Fletcher's friend and colleague, John Murray—most recently, for bringing the case to the civil court, as well as for his continuous efforts ever since PC Fletcher's death. They are testament to the high regard in which PC Fletcher continues to be held to this day. I also pay tribute to the hard work and commitment that the Metropolitan police has shown over a prolonged period in its efforts to bring to justice those involved in the murder of PC Fletcher. Her death was an appalling tragedy and my thoughts remain with all who loved her.

The murder of PC Fletcher was one of the most notorious crimes of the past 40 years, representing an act of state-sponsored terrorism that resulted in the fatal wounding of a serving police officer on the streets of London. The hon. Member shared in great detail the findings of the civil case of 16 November 2021, which found that Saleh Ibrahim Mabrouk was jointly liable for the killing of PC Yvonne Fletcher.

Following the conclusion of that case, many, including the hon. Member, have been lobbying for a criminal case to be brought against Mabrouk. In 2017, the Crown Prosecution Service made the decision not to pursue a prosecution in this case, and I understand that that decision was disappointing and frustrating for PC Fletcher's family, friends and colleagues. It remains, however, an operational matter for the Metropolitan police and the Crown Prosecution Service to consider any criminal prosecution.

It is important to note the differences in making a finding on liability in a civil court as opposed to in a criminal court. A civil court is required to make its findings on the balance of probabilities. That means that a court is satisfied, on the evidence available, that the occurrence of the event was more likely than not. A higher threshold is imposed in criminal cases, which requires an allegation to be proven beyond reasonable doubt. That means that the jury must be sure that the person is guilty. It is therefore not by any means automatic that Mr Murray's success in the High Court would or could translate into a successful criminal prosecution.

Sir Mike Penning: The Crown Prosecution Service and the Metropolitan police can make such a decision only if they have the evidence that the Government have, which they have not handed over to the CPS.

Will the Minister answer the question about whether or not the information that the Government have will be passed over to the CPS so that it can make that decision?

Kit Malthouse: I will come to that point in a moment, if I may.

Following the Prime Minister's meeting with the hon. Member for Ayr, Carrick and Cumnock in September 2020, the Home Office contacted the CPS in December of that year to ask whether it had received any more information on the case; it had not. The position remains the same as in 2017, which is that the CPS is not currently considering charges in the case. As with any case referred to the CPS by the police, a decision to prosecute is made in accordance with the code for Crown prosecutors, and a case must meet the evidential and public interest stages of the code test. In accordance with the code, the CPS will consider any new information referred to it by the police in relation to the case.

On the hon. Member's question about evidence being withheld, it has been the long-standing policy of successive Governments not to comment on the existence or otherwise of intelligence material. I am therefore unable to confirm or deny the existence of any material that may or may not relate to the case.

The hon. Member asked for confirmation of whether the Government issued a comfort letter to Saleh Mabrouk. We are not aware of any evidence to suggest that any such letter ever existed or was ever issued.

In response to the hon. Member's question regarding the extradition of Mr Mabrouk, the House should know that whether an extradition application is sought in any case is an operational decision for law enforcement and prosecution agencies. The UK Government, as a matter of long-standing policy and practice, will neither confirm nor deny that an extradition request has been made or received until such time as an arrest has been made in relation to the request.

On the question of a public inquiry, I am aware of the strong feeling in this case and of the early-day motion that the hon. Member tabled calling for such an inquiry. While of course we recognise the strength of feeling that the case evokes, the Government are not currently considering an inquiry into the death of PC Fletcher.

In closing, I would like to state once more that my thoughts are with PC Fletcher's family, friends and colleagues. They continue to have my deepest sympathy. I, like many, have often stopped at the memorial stone in St James's Square to consider a moment in our history that had a huge impact on many of us who were around at the time. I would also like to recognise and pay tribute again to the efforts of John Murray and the courage and resilience that he has shown in seeking justice for PC Fletcher. Finally, I thank the hon. Member for securing this debate. The murder of PC Fletcher was a heinous act that shocked our country to its core, and she will never be forgotten.

Madam Deputy Speaker (Dame Eleanor Laing): Indeed: she will never be forgotten.

Question put and agreed to.

7.46 pm

House adjourned.

Westminster Hall

Tuesday 22 February 2022

[PHILIP DAVIES *in the Chair*]

India-UK Trade Negotiations

9.30 am

Philip Davies (in the Chair): Before we begin, I remind Members of the House of Commons Commission's guidance to observe social distancing and wear masks when not speaking.

Bob Blackman (Harrow East) (Con): I beg to move,
That this House has considered India and UK trade negotiations.

It is a pleasure to serve under your chairmanship, Mr Davies, I think for the first time. I thank the Backbench Business Committee, on which I sit, and Madam Deputy Speaker for allowing us to have this very important debate. I declare my interest as co-chairman of the Indo-British all-party parliamentary group—the other co-chairman, the hon. Member for Ealing, Southall (Mr Sharma), is also present. This is an important time: trade talks between the UK and India have already begun. There is a tremendous opportunity, which I will go into in some detail.

Of course, we have the opportunity to negotiate a trade deal with India—our friends—because we have left the European Union; we now trade and negotiate as a free trading nation. We must embrace the opportunities that that gives us. Colleagues from across the House will, no doubt, also go into the detail of those opportunities, including in services, particularly for the City of London, legal services—India, after all, has the same basic legal system as we have—manufacturing, and Scotch whiskies and Irish whiskeys, which face huge tariff barriers in India at the moment. Those must form part of our successful negotiations.

We have this opportunity because we have a long-term friendship with India. The European Union has been trying to do a deal with India since 1997, but without success. The United States of America has been trying to do a deal with India, but without success. We should therefore not underestimate the difficulties that we may face. Over the weekend we had the good news that our potential membership of the comprehensive and progressive agreement for trans-Pacific partnership, which is worth trillions of pounds, is moving forward. The trade opportunities with India are enormous, and clearly a free trade agreement will support the Government's strategy of developing the status of the United Kingdom—global Britain—as an independent trading nation.

We are seeking trade and investment opportunities. We champion free trade—I am sure that my hon. Friend the Minister will allude to that particular issue in his speech. We have already negotiated a long-term arrangement with India—co-operation has been taking place over the last year—but now, free trade is the key to our success.

India is a dynamic, fast-growing economy at the heart of the Indo-Pacific region. Our bilateral trading relationship is already quite significant, and we should not underestimate that—£23.3 billion in 2019. A free trade agreement could strengthen that, and could potentially

increase exports by £16.7 billion by 2035. That is a goal that we must secure. We can also enhance the already existing trading relationships, which are considerable, and give the UK access to a market with long and short-term benefits. A free trade agreement has to work not only for the United Kingdom but, obviously, for India.

Theresa Villiers (Chipping Barnet) (Con): Does my hon. Friend agree that one of the significant benefits of a free trade agreement between India and the United Kingdom is access to a market that is increasingly prosperous? Over recent years, millions of people in India have been lifted out of poverty because of economic growth and prosperity. That is fantastic news for India, and it also creates a great opportunity for businesses based in the UK to increase their trading with India.

Bob Blackman: I thank my right hon. Friend for her intervention. India has a young population, full of entrepreneurs and people who want to succeed, and with a growing and establishing middle class and, indeed, upper class. The potential for a wide range of exports gives us many opportunities to draw on for the overall benefit of this country.

UK consumers, producers and businesses will all gain from a free trade agreement. We must maintain our high environmental standards on labour, food safety and animal welfare in any free trade agreement, not just with India but across all our different agreements. It is also important to protect the NHS when we negotiate, as we do not want it to be compromised in any shape or form. We want to secure the best possible agreement, and the potential interim agreement could deliver early benefits. I look forward to the Minister alluding to that agreement, as well as to the strategic opportunities I have mentioned.

We share a common set of values. India is the world's largest democracy and has long maintained its support for international co-operation and democratic Government. As my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) said, there have been huge advances over the past few years in the economy of India, the rights of Indians to work, and for villages across India to gain benefits from its trading position.

We work together in various multilateral fora, including the United Nations, the World Trade Organisation and the Commonwealth. In May 2021 we committed to an enhanced trade partnership, which could double trade by 2030, strengthening our relationship and invigorating our respective economies. That is part of a 2030 road map that covers the full spectrum of our relationship with India.

We have strong cultural links. Some 1.5 million British nationals are of Indian origin. I see one or two here in the Chamber, which demonstrates the role that the British Indian population plays. We support over half a million jobs in each other's economies, so an agreement would further develop that deep-seated relationship. It would also help put global Britain at the heart of the Indo-Pacific region—one of our key strategies—which now represents 40% of global GDP and has most of the world's fastest growing economies. As they expand, it is key that we have access to their markets.

An agreement with India would complement our other commitments, such as those to Australia and New Zealand, and the ongoing negotiations with the other

[*Bob Blackman*]

11 members of the CPTPP. Tilting towards the Indo-Pacific would diversify UK trade, make our supply chains more resilient and make us less vulnerable—particularly on a day like today—to political and economic shocks around the globe. It would also cement our position as a world leader in free trade and strengthen democracies around the world, which can only be a gain for India and for us.

I will not go through the many benefits of free trade agreements, as I know a number of hon. Members want to contribute to the debate. But let us be clear: reducing barriers will make trade easier and cheaper for UK exporters, as well as improve choice for UK consumers.

In 2019, India imported £5.35 billion-worth of goods from the UK, of which £5.24 billion was in lines subject to tariffs. That gives a feel for how much opportunity exists. Removing those tariffs would enable us to double our exports to India. India's middle class, which I mentioned earlier, is expected to double from 30 million people in 2019 to 60 million by 2030, reaching nearly 250 million in 2050. If that is not an opportunity, I do not know what is.

We will have huge opportunities to sell high-quality iconic brands and products. Removing tariffs and giving greater clarity on legal certainty would support our UK businesses, such as those in the automotive, agrifood, machinery and pharmaceutical industries, to name but a few. That would also mean our manufacturers saving costs by getting cheaper parts for products, while our consumers in the UK would benefit from the variety and affordability of different products.

The opportunities for UK services and investment are huge. At the moment, they amount to £3.2 billion. The fact that the expanding services sector in India is expected to reach 54% of its economy demonstrates the opportunity for us as a trusted partnership.

Mark Garnier (Wyre Forest) (Con): My hon. Friend is making a strong point about how reducing barriers to entry will increase trading opportunities with India. Does he agree, however, that it is the job of the Department for International Trade to do not only trade policy but trade promotion? The Tradeshow Access Programme and other good innovations are required to support British businesses that are seeking to take advantage of opportunities. I look forward to the Minister's explanation of what goes on in his closing speech.

Bob Blackman: My hon. Friend is a former Trade Minister who knows such things all too well. Those go hand in hand—it is no good having a free trade agreement if we do nothing with it. Indeed, before we get to the free trade agreement, we have to use the opportunities we have in the diaspora here and all the other opportunities for trade.

There is also a great opportunity in the digital sector. The Government of India aim to have a \$1 trillion online economy by 2025. We expect internet penetration in India to hit 50%—or 622 million users—so the free trade agreement represents a huge opportunity for businesses in the UK, such as those in tech, artificial intelligence and cyber-security.

A trade agreement will not only build on our relationship but give young Indians the opportunity to come to this country to study—to get their degrees, master's degrees and PhDs—and to return to India to use the knowledge that they have gained in friendship with the UK and to expand India's economy even more. We already have excellent educational co-operation, in particular with our higher education facilities, but I want to see us do better. I want us to get back to the position where the UK is where India chooses to send its young people to for study. We have slipped behind in recent years, and myths have developed about caps on numbers. Those are problems to resolve—we know that—but nevertheless we want to return to the position whereby we are the place of choice.

Indian-owned businesses in the UK employ more than 95,000 people. Some 29,200 are employed in the west midlands alone—at least one west midlands MP, the right hon. Member for Walsall South (Valerie Vaz), is present—with 20,700 in London and 10,700 in Wales. Indian investment alone created 15,000 new jobs in the past three years. That demonstrates our opportunities to expand. Furthermore, India's import requirements are set to be worth £1.38 trillion in 2035, which gives us an opportunity—if we can reduce the high tariff barriers—to utilise our capability to provide a high level of services and good-quality goods.

The tariffs paid on exports to India total £49 million a year. The tariffs for automotive manufacturers stand at 125%, so a trade agreement would obviously benefit them. In 2019, 9,900 UK businesses exported goods to India, 98% of which were small or medium-sized enterprises. That demonstrates that it is not only big companies but small companies that could gain.

We are a global leader on climate action, and the Government are obviously maintaining our high standards of environmental protection within trade agreements. An agreement with India could represent a huge opportunity for our world-leading renewable energy industry. The Government of India recognise the need to transition towards renewable gas and plan to install 175 GW of renewable energy capacity by the end of this year. Our expertise can help them to achieve that and to remove their dependence on coal and other fossil fuels. Although we already have a productive trading relationship, it would also help us to bounce back from the pandemic and to invigorate trade and investment services.

The reality is that our negotiation stance needs to be clear and above board, and we need to be clear that India was the UK's 15th largest trading partner in 2020. As I have said, trade was worth £23.3 billion and our exports worth £8.5 billion in 2019. That makes India the 10th largest export destination for the UK. Outside of the EU, that clearly provides us with a huge opportunity. Imports were worth £14.8 billion in 2019, which was 2.1% of our imports, making India the UK's fifth single largest import supplier. India is now the fifth largest economy in the world and the third biggest investor in the UK. We have slipped down the list on investment in India, and we need to put that right as we go forward. We were the third biggest investor in India, but I think we are now fifth or perhaps even sixth. India is the second most populous country in the world, with 1.38 billion people back in 2020, which amounts to 18% of the world's population. I am throwing out a lot

of stats, because we need to understand the huge benefit that can result from having a free trade agreement with India.

Obviously, under covid, both our economy and India's economy contracted, but as they expand we will have an opportunity to get involved in further investment in India. At the moment, India is projected to overtake Germany and become the world's fourth largest economy by 2030, and it could leapfrog Japan to become the third largest by 2050. The opportunity there is huge, and India has obviously been the engine of global growth over recent years, with its economy growing by 7% a year. If we could grow our economy by 7%,— wouldn't we bite people's hands off to achieve it? Clearly, that is going to be the position. I have mentioned India's middle-class market, which is growing fast and which is a huge opportunity for us overall.

With a free trade agreement with India, we can obviously support jobs across the UK. If our exports to India grow, we can grow our businesses, and SMEs will grow as a direct result. In 2019, something like 1,000 Indian-owned local business units were operating in the UK, so clearly the opportunities are there and the demand for imported goods and services will grow as we use the living bridge between the United Kingdom and India.

Obviously, the success of exports to India will depend on how well the world economy goes and how our relationship grows with it. As I understand it, the second round of negotiations is due to take place between 7 March and 18 March, with a shared ambition to conclude negotiations by the end of this year. I wish those negotiations well, and I hope the Minister will be able to update us on the position when he responds to the debate.

Looking at the various parts of our economy, there are huge benefits right across the UK to having a trade agreement with India. One of our hugest exports is Scotch whisky. That has a huge impact. Those of our Scottish friends who are present—the hon. Members for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), for Glasgow East (David Linden) and for West Dunbartonshire (Martin Docherty-Hughes)—know that they will gain as a result of a global Britain free trade agreement. If they were to engage in foolish behaviour and leave the United Kingdom, they would lose that free trade agreement and once again face tariffs of 150%. Indeed, the export of Irish whiskey is a vital part of the Irish economy and will clearly be—

Jim Shannon (Strangford) (DUP): Northern Irish!

Bob Blackman: I have had the opportunity of sampling Irish whiskey on many occasions.

David Linden (Glasgow East) (SNP): Will the hon. Gentleman give way?

Bob Blackman: Indeed, I will give way.

David Linden: I am grateful to the hon. Gentleman for giving way. I think he has given me this opportunity before gets himself into a bit of a hole. First, he had a pop at independence, only to then turn it into saying how successful Ireland is. I am grateful to him for that, but I thought I would give him the opportunity at least to try a glass of water, if not some whisky.

Bob Blackman: I thank the hon. Gentleman for rescuing me.

Valerie Vaz (Walsall South) (Lab): I take issue with one or two of the points that the hon. Gentleman has made. He spoke cleverly about what the UK can do for India, when the reality is clearly the reverse: we have imported fantastic, highly educated doctors, nurses and IT people.

He talked about whisky; I hope he does not intend for India to become a land of alcoholics. I would like to share an example from my youth of India's innovation: instead of importing Coca-Cola, it made its own version, Thums Up. It is a very innovative country. I would like to correct the record slightly: our parents and grandparents would not forgive us if we did not say that they were also highly educated and innovative.

Bob Blackman: I thank the right hon. Lady for that intervention. Clearly, the living bridge, as I have described it, of citizens of Indian origin in the UK is not only highly educated, but has the opportunity to build that relationship still further. Equally, there is a potential opportunity for people of UK origin to study at universities and other educational institutions in India. I look forward to those important exchanges taking place.

There is clearly a huge opportunity for us to go forward. The opportunities that arise from a potential free trade agreement are legion. To come back to whisky and the huge 150% tariff, with respect to the right hon. Lady, India manufactures its own whisky, which is a good product but clearly no substitute for that from global Britain. Negotiating that tariff down will be a prize and a huge advantage for our exports to India. It is a premium product that is well respected by the middle classes across the piece, and very welcome.

I will not trouble colleagues further because I know others want to contribute. The opportunities are huge, and it is up to us to grasp that nettle. I look forward to the Minister's reply to the debate, including the opportunities, our negotiating position, how negotiations are going and how much progress we have made. If we bring off this free trade agreement, it will be a feather in the Government's cap. More importantly, it will be a huge opportunity for the United Kingdom and India to cement our long-term relationship.

Several hon. Members rose—

Philip Davies (in the Chair): There are five Members seeking to catch my eye. I do not intend to introduce a formal time limit, but I think everyone can do the maths. I want to get to the Front Benches no later than 10.30 am. If we look at around seven minutes each, everyone will get a fair lick of the sauce bottle.

9.54 am

Mr Virendra Sharma (Ealing, Southall) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies, although not for the first time. Thank you for calling me to speak on this very important matter. I would also like to thank the hon. Member for Harrow East (Bob Blackman) for securing this debate, which I know is of great interest to his constituents as well as my own. I feel a little sorry for myself that I missed the opportunity to lead the debate; however, he made a good opening.

[Mr Virendra Sharma]

Trade with India has long been a British obsession and I am delighted that now, 421 years on from the founding of the East India Company, it is a little less one-sided. As the chair of the Indo-British all-party parliamentary group, I should declare an interest in this debate. However, my connection is even deeper, as I am not only a British citizen but also a son of India. It is one of my most fervent beliefs that India and the UK are natural friends and allies, with shared values and complementary skills and strengths. A deep and strong alliance is both possible and desirable.

Prime Minister Modi has made it very clear that he views Britain as India's natural ally. India is bursting with opportunity from which both the UK and India can benefit. There is a massive and growing middle class, a highly educated workforce and demand for services. The future can have so much more to offer than the past. There are nearly twice as many English speakers in India as in Britain, and that number is expected to increase over the coming decade. It could double—triple; numbers are high.

In India there is a connection to Britain that extends beyond the similar legal system, parliamentary democracy and cricket—it is deeper. We may have chosen to stifle trade with Europe and thumb our noses at our nearer neighbours, ending the opportunities that India had to invest in the UK as a jumping-off point into Europe, but that is not all that we have to offer. We must offer something different, but perhaps we should try to avoid further reducing our competitiveness. A free trade agreement may be this Government's stated aim, but I urge them to seek wins that build into an FTA, not look for a hole-in-one. Education and legal services are ripe for a sector-specific deal. Defence and security would not just be a boost to British design and manufacturing, but have the opportunity to support an Indo-Pacific "tilt" strategy. The Australia submarine deal shows that we have a sector brimming with talent, in demand around the world. Let us compete in space, cyber and aviation. The UK built the first jet airliner. Let us again sell them around the world, and fill Airbus planes with Indian students coming to British universities for a world-class education.

As we heard, in the past we have missed some opportunities. Britain did not stay on top of competing with other countries. Still, British universities and the British education system are popular among Indian students. We should look seriously at how we can further engage that relationship. On that point, I want to commend the excellent work of British universities in attracting Indian students despite the hard work of our Prime Minister's predecessors to dissuade as many students as possible from coming to the UK. We must accept that it was our failure, not a lack of interest among students back in India. It should not be seen as a criticism, but as a policy matter we must look at how we can improve those relations further to bring those students into the country.

The new post-study visa is a good step, and the numbers from UCAS last week show that it is having the right impact. There is no doubt, then, of the value of an FTA for the UK and India, but experts I have spoken to think it will not be possible to secure one in the next decade or more. Instead, we should seek to nail

down the wins that we can now, and work towards an FTA. That should not be for an election stunt but for the long-term success of the British economy.

I also urge the Government to take international promises seriously. This Government have been blamed, time and time again, for interesting interpretations of trade regulations and agreements with the EU. We risk further serious international reputational damage if we are seen to renege on trade deals that we have written and agreed. We can show how serious we are by respecting and taking full advantage of deals already in existence and in the pipeline. I look forward to seeing the sector deal for fruit ripen and the medical technology deal birthed in good health. Two countries, both alike in dignity, can put aside ancient grudge and break new ground with an ambitious deal for civil hands in both nations.

10.2 am

Navendu Mishra (Stockport) (Lab): It is a pleasure to serve under your chairship, Mr Davies. I congratulate the hon. Member for Harrow East (Bob Blackman) on securing this important debate. It is also good to see many members of the Indo-British APPG. I serve as its secretary, so I wish to declare that interest. I am also grateful to both its co-chairs, the hon. Member for Harrow East and my hon. Friend the Member for Ealing, Southall (Mr Sharma), who do a lot of work to keep the APPG going, and also to my right hon. Friend the Member for Walsall South (Valerie Vaz).

I will start by talking about the Manchester India Partnership, which covers the Greater Manchester region, including my constituency of Stockport in south Manchester. It was set up in 2018 and has won several awards. Its main objectives are to link academic institutions, businesses and public sector organisations across Greater Manchester and India. Those are excellent objectives. I am sure that the House will join me in congratulating Shehla Hasan, who has been appointed the new executive director for the Manchester India Partnership.

It is good to see the Mayor, Andy Burnham, and the 10 local authorities in Greater Manchester working with the Manchester India Partnership to attract investment into Greater Manchester, but also to attract investment from British businesses, organisations and academic institutions into organisations across India. It should be highlighted that Greater Manchester is the first UK city region to sign a memorandum of understanding with the regional Government of the Indian state of Maharashtra. That was recently signed between Mayor Andy Burnham and a Minister from Maharashtra, and should be celebrated.

As MP for Stockport, I want to see more investment from Indian businesses in my constituency into Greater Manchester, and vice versa. I also hope that when the Minister speaks, he will support the Manchester India Partnership and outline how the Government will support not only regional partnerships—such as the Manchester India Partnership—and the UK India Business Council, but also the initiative in the west midlands.

I believe that this debate is about trade, but I also want to mention the lack of air connectivity between Manchester and India. Manchester airport is the third-largest airport in the UK and serves people from the north of England, Scotland, and even Wales. Some 537,000 people of Indian ethnicity live within a two-hour

drive of it. It is not good—unhelpful, even—that Manchester airport currently has no direct flights to major Indian cities. It used to have links to Mumbai and Delhi, but because of the pandemic those infrequent links, which were weekly, have stopped. I hope that the Government will do something about that. The large, vibrant Indian community in Greater Manchester and the north-west region have been calling for direct air links from Manchester to major Indian cities and, as a bare minimum, direct links to Mumbai—the trading hub of India—and the capital, New Delhi. It is a long time coming, and I hope the Government will do something about that.

Having spoken to them recently, I know that Manchester Airports Group are very keen to start routes to India. I hope there is a commitment today from the Minister that the Government will deliver that. Direct air links will deliver better connectivity for families, businesses and academic institutions. My good friend, my hon. Friend the Member for Ealing, Southall, mentioned the large number of Indian students who study in the UK, as well as businesses and people visiting on vacations. These are people who are choosing to spend their time and money here and we should make it easier for them.

Moving on to the student community, the UK has an excellent educational offer; we attract students from around the world and that is a very good thing. However, I am disappointed that the Government did not do enough at the height of the pandemic to support overseas students. Some struggled badly, and more should have been done. Some students faced extremely serious hardships, struggling to feed themselves and facing issues with rent and landlords. Several organisations, up and down the country, did a lot to support those overseas students and I am very grateful to them. I particularly thank the Indian Association Manchester: Dr Gajanan and Councillor Vimal Choksi went above and beyond to support students, some of whom were in desperate situations, and I am grateful to them for that. I think the Government should have done more, and going forward, if we are going to attract foreign students—which is a good thing—we should make sure that we are able to support them better in the case of a lockdown, in the case of a pandemic.

Over 53,000 students of Indian heritage studied in the UK last year. I believe the figure for the next academic year is close to 84,000—and that is just students from the Republic of India. That shows the growing number of students coming from India to the UK. I hope that part of the free trade agreement provides better support for those students. Over the weekend there have been some media reports about elite Indian universities setting up campuses in the UK; I hope that the Minister will outline how the Government will support that. We want the best and the brightest, and we also want to encourage the exchange of knowledge, ideas and people between those institutions.

I will finish with two points. Climate change is a very serious issue; India and the UK can do so much together to combat climate change and preserve our natural environment. I saw a report recently that India has increased its solar power capacity by more than elevenfold in the last five years; that is just one example of things that are going on in India. The UK and India could lead on green technology and renewable sources, but we need the vision and the investment.

When we talk about trade, we should do so on an equal footing and on collaborative terms. It is all well and good for the Government to say that they want to pursue a free trade agreement with India, but when recently South Africa and India made a joint proposal for a time-limited, temporary waiver of the World Trade Organisation agreement on trade-related aspects of intellectual property rights in order to allow the production of vaccines, medical equipment and medicines to fight the pandemic, the UK Government were part of a small minority that blocked the proposal. Personally, as a British Member of Parliament, I think that is shameful. On the one hand, the Government are saying that they want a free trade agreement on equal terms, while on the other they are blocking a proposal that would enable low and middle-income countries to vaccinate their populations. While we in more advanced economies talk about the second dose, the third dose or the booster dose, around 80% of people on the continent of Africa have not even had their first dose. President Biden's Administration were with the UK in blocking the TRIPS waiver. However, they reversed their position and said that they were wrong, and that they would support the proposal from India and South Africa. I am sorry to end on a negative note, but the Government have clearly failed on that. They say one thing on the free trade agreement, but do not support a very reasonable proposal for low and middle-income countries.

10.10 am

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It is good to see you in the Chair, Mr Davies. I thank the hon. Member for Harrow East (Bob Blackman) for securing this debate.

It has been interesting and, in many ways, encouraging to hear the enthusiasm that Members across the House have for increasing links with the Republic of India. While some from my party and my part of the world can only support increasing trade, commerce and understanding between democratic peoples, I am one of the few discordant voices in this debate. I have to ask whether that is truly appropriate at this moment, especially while my constituent, Jagtar Singh Johal, remains arbitrarily detained in a maximum security prison.

Having served as a member of the Defence Committee for five years, I am under no illusions as to the importance of maintaining good relations with India. It remains the largest democracy in a region where it can sometimes seem that anti-democratic voices have the upper hand. However, being a member of the Committee also meant I had more time than most to read last year's integrated review and that I was fortunate enough to meet many of the people who wrote it.

The fine balance between interests and values is a major theme throughout the review and is something that we should continue to reflect on. On page 17, the review states:

"In the years ahead we will need to manage inevitable tensions and trade-offs: between our openness and the need to safeguard our people, economy and way of life through measures that increase our security and resilience; between competing and cooperating with other states, sometimes at the same time; and between our short-term commercial interests and our values."

What about our Prime Minister? We know that he is, of course, a man of his word. In his introduction, he says that,

[*Martin Docherty-Hughes*]

“By 2030, we will be deeply engaged in the Indo-Pacific as the European partner with the broadest, most integrated presence in support of mutually-beneficial trade, shared security and values.” I would like to linger on the last word: values.

My constituent Jagtar Singh Johal was shopping with his newlywed wife in Jalandhar city on 4 November 2017 when he was suddenly assailed by persons in plain clothes who did not identify themselves. They bundled him into a van before speeding off, leaving his new wife distraught at the side of the road. It was not until he got to Bagha Purana police station that he realised those people were law enforcement. However, if that realisation made him think he would be dealt with humanely, he was wrong.

Jagtar alleges that from 5 to 9 November, the police interrogated and tortured him, including by means of electric shock to his genitalia, forcing his limbs into painful positions and depriving him of sleep. That torture is probably what contributed to Jagtar signing a confession and making a video confession that later appeared on prominent Indian news sites, both of which he subsequently retracted.

I have spoken about Jagtar’s case on many occasions in the House and I will continue to do so until he is released. Due to the time constraints we have today, we will have to gloss over almost five years in captivity, a move to a maximum security prison and the gradual realisation from all working on this case that we were dealing with arbitrary detention.

In my Westminster Hall debate last year on Jagtar’s case, I unfortunately did not hear any justification from the Foreign, Commonwealth and Development Office as to why it did not consider Jagtar’s detention to be arbitrary. However, I fully intend to make the FCDO justify that decision whenever I can. We should ask ourselves if we consider the treatment of Jagtar to be consistent with the pursuance of shared values in the UK’s foreign and trade policy.

My constant refrain during Jagtar’s detention has been for transparency, due process and the rule of law to be what the Republic of India is judged on by both the citizens of that mighty country and the FCDO. The integrated review quite clearly states that,

“we will increase our efforts to protect open societies and democratic values where they are being undermined”.

There is more than enough in this one case for me to ask all Members present, including the Minister, at what price do we pursue this deal? At what point is it incumbent on the UK as a state that seeks to protect open societies and democratic values to act when they are demonstrably not being adhered to? While it is, of course, for the people of the Republic of India to decide how they are governed, it is for us as democratically elected parliamentarians to decide how we sign free trade deals with them.

I hope I have made it clear that, although the benefits of free trade and cultural exchange are undeniable, they should not be pursued at any price. They should certainly not be placed above the wellbeing of individual UK citizens such as Jagtar Singh Johal.

10.15 am

David Linden (Glasgow East) (SNP): It is a pleasure to follow my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes). I too put

on record my support for Jagtar Singh Johal, who is a son of the Rock. I congratulate the hon. Member for Harrow East (Bob Blackman) on securing and opening this important debate.

As chair of the Scotch whisky all-party parliamentary group, I understand the importance of securing a good trade deal with India, especially for the Scotch whisky sector. The industry breathed a huge sigh of relief at the removal of tariffs for Scotch whisky in the United States. However, it only came after significant effort on the part of the APPG, the Scotch Whisky Association and countless industry stakeholders. The industry continues to face yet another barrier at this time in India, where Scotch whisky faces an eye-watering 150% tariff.

India is the world’s largest whisky market, which provides huge potential for the entire Scotch whisky industry. However, the fact that Scotch exported to India is subjected to that 150% tariff is a massive blow to the sector. Because of the steep tariff, Scottish produce makes up only 2% of India’s whisky market. Despite only making up this very small percentage share of the market, the value of Scotch whisky sales continues to rise. Whisky sales rose from less than £60 million in 2011 to more than £150 million in 2019. Just imagine the opportunities for what is, I would argue, our greatest export brand if the 150% tariff were reduced. The Scotch whisky industry could rise to its true potential in India.

A reduction in the tariff on Scotch whisky would grow single malt exports by £1.2 billion over the next five years and create 1,300 jobs. In my Glaswegian constituency, I am privileged to have a bottling hall, a maturation warehouse and a number of cooperages. There is clearly an argument that this investment has an impact on jobs, not just in rural parts of Scotland, but in urban constituencies like my own.

India is already the third largest market by volume. The reduction of tariffs could push it to second place, behind only the United States of America. It would see an increase of £3.4 billion in revenue to the Indian Government. There is a huge potential for the market to grow if tariffs were reduced. In 2019, Scotland only constituted 6.5% of the UK’s overall trade with India, compared to London at 21%, the south-east of England at 14% and the north-west of England at 9%. There is clearly an opportunity for Scotch whisky, if only it were not hindered by these incredibly high tariffs.

The whisky market in India is a wholly untapped, golden opportunity for Scottish distilleries. Scotch whisky plays a crucial role in the success of Scotland’s food and drink sector and our economy, but the industry has been dealt a triple whammy recently, with the economic impact of tariffs—particularly in the USA—as well as Brexit and the pandemic. Going forward, we need to see continued and intensified support for the industry. One step could be to address the extortionate tariffs in India. I hope that my good friend the Minister, and the Government, will address this in conjunction with the APPG, so that together we can support Scotch.

10.19 am

Jim Shannon (Strangford) (DUP): I thank the hon. Member for Harrow East (Bob Blackman) for introducing the debate in a consistent, helpful way. I am pleased to follow the contributions of the hon. Members for Glasgow East (David Linden) and for West Dunbartonshire (Martin Docherty-Hughes). The hon. Member for West

Dunbartonshire knows that I have supported him in the campaign that he has consistently been involved with over the years and in every one of his debates, and I support him here today in urging the Minister to do something. It may not be too late for that plea to the Minister and to the Government to do something to help the hon. Gentleman's constituent, who has been very wrongly maligned, intimidated, tortured and injured, and his family.

Holding each other accountable to a higher standard is a hallmark of any good relationship. Ours with India should be no different, which is why what the hon. Gentleman said is so important. There has been colonial and historical contact, and that has drawn us together over the years. I see—we all see—India as a friend and the close relationship between the UK and India is well known. A long history of international co-operation and trade has been central to much of that. Our trading relationship is significant and, therefore, I believe we need to have a relationship that draws on our concerns in this country. I will lay out some reasons for that.

The UK is the third biggest investor in India, and in 2020 India became the second largest investor in the UK. Our relationship is growing from both sides and that is important. During the covid-19 pandemic, trade with India secured vital personal protective equipment for our frontline workers, and helped to secure the production and roll-out of the Oxford-AstraZeneca vaccine on such a mammoth scale. The history and our relationship over the last 100 years—especially over the last two—have been significant and important.

It goes without saying that the UK-India relationship is mutually beneficial, and that underscores why a trade deal with India is and should be such a priority. However, in trade negotiations we should not ignore the values central to a good relationship for the sake of a better trade deal. The close relationship between the two countries necessitates that our Government and our Ministers raise the issue of human rights concerns in negotiations with India. Will the Minister confirm that the issues are constantly raised with India? I am quite sure that the answer will be yes, but will the Minister confirm that in *Hansard*, so that we have it to refer to for the future?

I am sad and sorry to say this, but in recent years India has seen escalating violations of freedom of religion or belief. Churches and Christian schools were targeted during the Christmas season just past. Bibles were set on fire, services were disrupted, a statue of Jesus was torn down and the crowd shouted, "Death to missionaries". Really? In this modern world? We have this relationship with India, but the Indian Government have not acted on those issues. In 2013, the Open Doors world watch list ranked India as 31st in the global list of the top 50 countries where Christians faced the highest level of persecution worldwide. Last month, in its latest world watch list, Open Doors ranked India in 10th position; it has risen from 31st to 10th. The research sounds the alarm on the escalation of freedom of religion or belief violations in the country—not just against Christians, but against other faiths and beliefs too. I will quickly speak of them.

Lynchings and hate speech targeting Muslims in India have repeatedly made headlines. In December last year, there were open calls for genocide against Muslims at a Hindu Mahasabha party conference. That should never happen at any Government conference or any party

conference. The marginalisation of Muslim women was evidenced last month when schools and colleges in the Indian state of Karnataka banned the Muslim headscarf. Indeed, Malala Yousafzai has since responded to colleges forcing Muslim girls

"to choose between studies and the hijab"—

in short, to choose between their right to education and their right to freedom of religion or belief. That must stop. Can the Minister give some indication of how we are encouraging India to do just that?

David Linden: I am glad the hon. Gentleman has touched on that. I discussed the issue in a meeting with the Prime Minister. Thankfully, there was an undertaking that he would raise the issue. Does the hon. Gentleman agree and accept that a lot of the behaviour stems directly from Prime Minister Modi and the various thugs in his party who think that such behaviour and intolerance towards people of a different faith is somehow normal? We need to send a very strong message from London to the Indian Government that we will not accept such behaviour and that we will raise it during the negotiations.

Jim Shannon: I agree that there is an onus on Prime Minister Modi to speak out. Unfortunately, we have not seen much evidence of that. If he speaks out, there should be a reaction, and those who listen to him might respond in a positive fashion, but that has been lacking so far. However, I hope that we can have such a response.

I believe that there is hope and I want to reflect on that as well. Human rights provisions in international trade deals have become the norm since the early 1990s. More than 75% of the world's Governments now participate in preferential trade agreements with human rights provisions, and we should participate as well. European Union international trade agreements include human rights clauses and a general obligation to uphold human rights as set out in the UN universal declaration of human rights, so what are we doing to make sure that that is upheld?

Leaving the European Union has enabled us—I say this with great respect to colleagues on my left-hand side, the hon. Members for Glasgow East and for West Dunbartonshire—to pursue an independent trade policy. It is vital, however, that we do not drop human rights provisions in that endeavour and that we appropriately use free trade agreements to pursue our broader international objectives.

The UK has a history of defending human rights across the world and is a leader in protecting the fundamental right of freedom of religion or belief. I recognise the good work that our Government have done on these issues, but there are occasions when we have to speak up in a gentle but firm fashion to say that things are not right. The right to freedom of religion or belief is a gateway right and a strong indicator of the future trajectory of the human rights landscape in a country. That is where the focus must be in India, so we seek that change. Religious or belief minorities are often the first groups to be targeted before other rights are eroded, so the right to freedom of religion or belief is well placed to be an indicator of human rights provision in a trade deal with India. I am confident that the Minister's response will endorse our concerns and deal with how we can make things better.

[Jim Shannon]

I am mindful of the time, so I will conclude by urging the Government to ensure that human rights provisions are included in the text of future trade deals with India, that those provisions include robust monitoring and enforcement mechanisms, that the right to freedom of religion or belief is part of that framework, and that the Prime Minister of India takes the lead on this issue. If we hope to nurture a sincere relationship with India—I hope we do; I want us to—Government silence on the matter cannot be tolerated.

10.28 am

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate the hon. Member for Harrow East (Bob Blackman) on securing this important debate and on his dramatic entrance; it is always good to get off to a start like that.

There has rightly been a lot of talk about the opportunities for friendship, trade and progressive agreements with India. Those matters should be at the forefront of our minds when we talk about engaging with any other country. It is also important, as we have heard from hon. Members around the Chamber, to make sure that when we talk about friendship and being good friends, we are open and honest and call out the things that are not acceptable. I intend to do that in my comments.

The hon. Member for Harrow East talked about the difficulties in gaining a trade agreement with India. The EU has 445 million people, the US has 331 million and the UK 68 million, so there will be difficulties in gaining agreements, and standards must not be sacrificed to get those things across the line. I welcome his comments on protecting the NHS. I hope he will work with me to make sure that the Government pay close attention to not including things such as investor-state dispute mechanisms that could undermine the NHS in future trade deals.

The right hon. Member for Chipping Barnet (Theresa Villiers) is no longer in her seat, but when we talk about being open, we have to be clear about what the situation is in India. Two thirds of Indian people live in poverty. We have to realise that not everybody there is wealthy. Nearly 70% of people live on under \$2 a day. That leaves the situation open to worker exploitation. In any trade deal, we must be mindful of that situation.

Hon. Members have talked, quite rightly, about honouring agreements. That is absolutely essential. This Government must reverse some of the precedents that have been set over recent months. They have to show that they are willing to understand and undertake the conditions of international law; if they do that, they will have the moral authority to hold others to those conditions.

It is absolutely right to point out human rights issues in India. I will come on to some of the opportunities in a moment, but I will pause on the point made by my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) about his constituent Jagtar Singh Johal, who has been held for four years without charge. There are many other concerns, including the filing of criminal charges against students, journalists and private citizens in response to speeches seen as critical of the

Government. As the hon. Member for Strangford (Jim Shannon) pointed out, in 1995 the EU agreed that every new trade deal would take human rights as an essential criterion. Will the Minister uphold the same principle, or will he let these things slide, as the Foreign Secretary did with the principles in the deals with Turkey, Singapore and Vietnam? The Minister should tell us.

My hon. Friend the Member for Glasgow East (David Linden) highlighted an enormous opportunity to fix a long-held barrier to exports for Scotch whisky. The punishing 150% tariffs applied to this premium Scottish export have been in place for far too long. The UK Government have been tardy, to say the least, in addressing that. We have seen no urgency from the UK Government to rectify the situation until now.

As we have heard, India is the world's largest whisky market, and yet the quality produce from Scotland makes up only 2% of that market. Despite that, because of the vigorous marketing of high-end product by the Scotch whisky industry, the value of whisky sales has risen from less than £60 million in 2011 to more than £150 million in 2019. There is clearly a demand and an appetite for whisky in India. A reduction in that tariff would grow single malt exports by £1.2 billion in the next five years and could create 1,300 jobs, but that depends on serious action on tariffs. Could the Minister tell us what efforts are being made to remove the 150% tariff, or what reduction to it is being sought? That should not be a secret. It is not a negotiation issue; it should be something that is simply dealt with.

We have heard mentions—too few mentions—from hon. Members of climate change. This is an absolutely pivotal issue that should be at the front of our discussions. There are export opportunities for the Scottish renewable energy manufacturing sector if the conditions are put in place. The Indian Government plan to install 175 GW of renewable energy capacity this year, and they are aiming for further capacity developments over the coming decades. Currently, however, wind turbine components made in the UK are subject to import tariffs of 15% in India. Scotland has the world's largest research group of renewable energy experts: more than 700 scientists, engineers and more. That is an opportunity.

Navendu Mishra: Part of the “build back better” slogan has to be good, well-paid, unionised jobs in the UK. The UK can be a world leader in green technology and technology transfer, and it can lead from the front on renewable energy. Does the hon. Member agree that as part of the free trade agreements that the UK signs with other nations, we should encourage those nations to sign up to the principles of renewable energy? Does he also agree that we should use those agreements to increase industrial capacity in the UK and produce good, well-paid, unionised jobs that support our constituents up and down the country?

Drew Hendry: Absolutely; I am in complete agreement about those opportunities. It is important to underline that climate change was not solved at COP26; some good agreements were reached there, but it is clear that a lot more needs to be done. All those things need to be taken into account when it comes to a trade deal. India and the UK have considerable and long-standing social, cultural and economic ties. India is a rising world power, and it is impossible and impractical to ignore the

south Asian giant. However, as I have said, friendly progress should be made with eyes open to the issues that exist.

None of the proposed trade deals, including this one with India, can make up for the trade disaster that is Brexit. The Office for Budget Responsibility estimates that Brexit will lead to a reduction of 4% in UK GDP. The hon. Member for Harrow East talked about coming back from covid. By comparison, the OBR estimates that covid will only cause a 2% fall, so Brexit is likely to have twice the impact.

According to predictions by the National Audit Office, all the FTAs—those with Australia and the US, and the CPTPP—will increase the UK's GDP by between 0.33% at best and 0.17% at worst. Brexit has already cost the Scottish economy around £4 billion and could slash Scotland's GDP by up to £9 billion by 2030.

There are other issues, but lack of time prevents the full exposition of them all. This is a wide-ranging subject and an enormous debate, given the sheer size, scope and industry of India and the opportunities that might be opened up there. However, there are some key points that I want to touch on, so that the Minister can respond to them. These are important things.

In India, produce—rice, in particular—is grown using pesticides that are currently banned from use in the UK. Can the Minister confirm that such produce will never be imported for sale in UK shops? What concerns has he raised with his team and colleagues about microbial resistance, and will he confirm that any FTA will commit to addressing the very real concerns about it? Will he commit to ensuring that there is a robust chapter in any FTA within the legal services text that takes into account the unique nature of Scottish law?

I put those questions to the Minister. I know, and he knows, that he will be asked many more questions about this wide-ranging subject in the coming weeks and months. However, several of the questions I have asked demand an answer—not least those about his ambition for the reduction in tariffs such as 150% on Scotch whisky and 15% on renewable parts, but also those relating to human rights commitments, the protection of UK standards on pesticides and genetic modification, and ensuring that we get an open and honest trade deal that protects the human rights of those involved with it.

10.38 am

Gareth Thomas (Harrow West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Davies. I find myself in the most uncomfortable position of having to praise my neighbour, the hon. Member for Harrow East (Bob Blackman), for his speech; for the first time in a long time, I agreed with more than 50% of what he said.

The hon. Gentleman and the Backbench Business Committee have done the House a service in giving us the opportunity to begin scrutiny of a trade agreement. I hope that the contributions by the hon. Member for Wyre Forest (Mark Garnier), the right hon. Member for Chipping Barnet (Theresa Villiers), my right hon. Friend the Member for Walsall South (Valerie Vaz), my hon. Friends the Members for Ealing, Southall (Mr Sharma) and for Stockport (Navendu Mishra), and the hon. Members for West Dunbartonshire (Martin Docherty-Hughes), for Glasgow East (David Linden)

and for Strangford (Jim Shannon) will serve to jog the Minister's memory about the need to improve scrutiny arrangements for the trade deals that this country begins to enter into. In particular, I welcome the fact that the hon. Member for Harrow East underlined the need to maintain environmental, animal welfare, food and safety standards, and to ensure that there is no retreat on protecting the national health service.

At the outset, let me state clearly that the official Opposition welcome and support the opening of free trade agreement negotiations with India. Given how underwhelming the Government's record on trade has been of late, the signing of a comprehensive free trade agreement with India that could unlock significant export opportunities for British businesses and help to create significant numbers of new jobs in the UK would be very welcome. However, very few in the business community seem to have much confidence in the Government being able to negotiate any time soon the comprehensive free trade agreement that the Prime Minister has promised us all. There are increasing whispers that Ministers are focusing only on what would be billed as an interim agreement. I hope that turns out not to be true, but that apparent loss of nerve and ambition would be disappointing.

Given that Ministers have negotiated a trade agreement with Japan that, according to the Government's own figures, is set to benefit their exporters four times more than ours; that provisions on labour and human rights have been dropped from many of the roll-over deals—a point made by the SNP spokesperson, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry)—and that a deal with Australia is set to deliver a £100 million hit to British farmers, fishing and food firms, Ministers should not be surprised by the growing scepticism about whether they will be able to put together a genuinely exciting free trade deal with India.

I am afraid that the story of the last 10 years of Britain's trade with India has been underwhelming. The hon. Member for Wyre Forest, who is no longer in his place, made a pointed intervention on the hon. Member for Harrow East about the Tradeshow Access Programme, no doubt with that in mind. Figures from the House of Commons Library demonstrate that British exports to India dropped by 3% in the years between 2010 and 2019. Canada saw a 62% increase in trade with India over that time, and the French saw a 58% increase over the same period. Every other country in the G7 saw faster growth in their trade with India. There was also an average increase in trade with India across the European Union, without the EU-India free trade agreement having been made. Even Italy performed better than the UK.

After that decade of disappointment, it is high time that Ministers gave Indian markets some serious attention. It is no surprise that as far back as 2018, the Indian Government, through the High Commission here, were asking when Ministers were going to get their act together on trade with India.

Action by the previous Prime Minister on visas, of the sort alluded to by my hon. Friend the Member for Ealing, Southall, or the failure to support India's call for a temporary trade-related intellectual property rights waiver, as my hon. Friend the Member for Stockport underlined, only add to the concern about whether Ministers are genuinely serious about engaging properly with their counterparts in India. To complement free

[Gareth Thomas]

trade agreement discussions, a strategy to boost exports to India is now needed. That can be built on if and when any agreement with India is achieved.

I hope the Minister will be able to explain, as the hon. Member for Wyre Forest asked, what extra support is being provided to firms that have the potential to export to India but are not yet doing so. If France, Germany, Italy and the EU more generally can all perform better without an FTA in terms of growth in their exports to India, Ministers need to be doing more to help British exporters. How many trade missions are planned to India in the next 12 months? Are extra staff going to be deployed to support export growth in India? How are Ministers going to improve the online help to businesses that want to export to India? I am told that it is weaker than that of our rivals.

India is one of the world's largest and fastest growing economies, and it is set to become the world's third biggest economy by 2050. Given that India has a population of almost 1.4 billion people and a growing middle class, a trade deal would increase British business access to a huge consumer base and, according to the CBI, potentially boost wages in the UK by some £3 billion by 2035. Got right, an ambitious free trade agreement could bolster bilateral economic growth and, given India's regional significance, boost growth and trade with its near neighbours, too.

An agreement that sees the removal of key duties and tariffs is particularly important. As the hon. Member for Glasgow East stressed, exports of Scottish whisky and of cars, which face duties of 150% and 125% respectively, are important.

Navendu Mishra: *The Times* of London reports today that in 2020, UK companies exported pesticides containing 12,240 tonnes of seven different chemicals that are banned in the UK. Does the shadow Minister agree not only that that is morally wrong, but that it highlights the Government's double standards on exports?

Gareth Thomas: My hon. Friend makes an important point. That is why we need to ensure that there is no weakening of standards as Ministers, perhaps desperate to make up for the shortfalls in the trade and co-operation agreement with the EU, seek to rush to agree trade deals with other countries.

Ministers ought to be able to make fast progress on Scottish whisky tariffs. The Government of India are keen to tackle smuggling, counterfeiting and the loss of tax revenue, so the UK Government are pushing at an open door regarding Scotch whisky tariffs. The financial sector is emerging as a vibrant and dynamic area of growth in the Indian economy, but India ranks only 30th as an export destination for UK financial services. Figures suggest that Britain exported about £3.8 billion of services to India, with financial services making up less than 10% of that total.

An ambitious agreement on services could support and complement India's economic development. Indeed, given the UK's strong comparative advantage in high-value services such as digital finance, a deal that does not support real growth in services exports would be very disappointing. Again, on tech, the UK and India are among the world's leaders in the development of new

technologies. An FTA could help to develop business co-operation in advanced research and manufacturing capacity, in green energy capacity in particular, as well as in artificial intelligence.

For many small businesses, improving customs arrangements to reduce bureaucratic delays and red tape is key. An FTA should include reaffirming commitments to implement the WTO's trade facilitation agreement, to ensure that there are commitments on the timely release of goods and express shipments, and a mutual recognition of authorised economic operator schemes. On the point of mutual recognition, a comprehensive and ambitious FTA, of the type promised by the Prime Minister, should also include progress on the mutual recognition of professional qualifications and more robust regulatory dialogues.

Trade agreements are not a zero-sum game; there are trade-offs. One reason why better scrutiny of trade deals is needed is to ensure that there is proper debate about those trade-offs and the context of trade deals being done—a point underlined by the hon. Member for Strangford. One obvious issue in that regard concerns visas. The Secretary of State confirmed that nothing is off the table, and a multiplicity of sources confirm India's continuing interest, and indeed priority, in a substantial easing of visa restrictions into the UK.

Martin Docherty-Hughes: While the UK was a member of the European Union, it was the fly in the ointment of a trade deal with the Republic of India, over two specific issues: whisky tariffs, and the fact that the UK Government did not want a more liberal visa position. Is the reality that now they cannot get cheap labour from Europe, they are looking for even cheaper labour from India?

Gareth Thomas: The hon. Gentleman asks an important question. My hon. Friend the Member for Ealing, Southall underlined the concern we heard from many sources about the more illiberal regime on visas that was introduced by the previous Prime Minister. It is worth asking the Minister if he plans to allow, as under the Australia deal, a significant increase in access to the UK for Indian nationals. What will Britain's ask be in return, regarding easier movement between the UK and India for UK professionals?

What is the Minister planning for ceramics? That is a key industry, which is hugely important in many specific parts of the UK, such as that of my right hon. Friend the Member for Walsall South, and which is facing ever-growing competition from India. To what extent is the Minister factoring into the negotiations the needs of the ceramics industry?

One of the criteria that the Opposition will use to judge the Secretary of State's negotiating skills is the extent to which the deal boosts development, improves equality of opportunity, and tackles poverty. Just as we believe that every community in the UK should benefit from the trade deals that Britain signs, every community in India should benefit from a UK-India free trade agreement. That is why we want to see chapters on labour and human rights—important points underlined in interventions from the hon. Members for Strangford and for West Dunbartonshire. We welcome the opening of negotiations, but we will monitor their progress very carefully.

10.50 am

The Parliamentary Under-Secretary of State for International Trade (Mr Ranil Jayawardena): It is a pleasure to serve under your chairmanship, Mr Davies. I thank my hon. Friend the Member for Harrow East (Bob Blackman) for raising this important topic and for sharing his passionate belief in the importance of closer ties between Britain and India. I also thank Members from across the House for their broad support for the notion of a trade agreement with India. Although we do not have much time left, I shall do what I can to cover as much as possible.

The Government fundamentally believe in the power of free trade and free markets as unrivalled forces for good in the world, which is why we are pulling out all the stops to champion this great cause globally. We are using free trade around the world to forge new bonds of prosperity with nations worldwide, unlocking fresh growth for businesses of all kinds and sizes based across our United Kingdom. We are positioning Britain at the heart of a rapidly changing global trading system, in which the greatest opportunities lie in emerging markets and the fast-growing economies of the east, and the free trade deals that we are signing with our partners are key to that endeavour.

As has been mentioned, we have already signed deals with 70 countries plus the EU, covering trade worth £772 billion in 2020, and there is more to come. We have already gone above and beyond existing EU agreements with some of the world's most advanced economies, such as Japan, and we have secured new deals with Australia and New Zealand, but we are just getting started.

To witness the fantastic potential of the global Britain that we are building, we need look no further than the deal that we are discussing today: the free trade agreement that we are negotiating with India. This deal promises to be a game changer for our economic partnership with the world's largest democracy, opening the door for British businesses to a vast and fast-diversifying market of almost 1.4 billion people—larger than the population of the EU and US combined. The deal is bringing us closer to an economic superpower that, despite covid, was worth more than £2 trillion in 2020 and is on course to become the world's third largest domestic market by 2050. As the world's spending power shifts eastward, giving global Britain a greater stake in the Indo-Pacific is crucial, because it is a part of the world that represents over 40% of global GDP and contains the growth of tomorrow.

As has already been said, Britain and India share a trade partnership that was worth almost £24 billion in 2019—energised, as my hon. Friend the Member for Harrow East says, by the living bridge of people and ideas that flow between our nations. We already share close business ties, including nearly half a million jobs across our economies, according to the Confederation of British Industry. Our financial markets are interconnected, with 35 Indian companies listed on the London stock exchange, and our firms partner one another in driving change across a range of fields, from finance to manufacturing, and from tech to transport.

There are innovative businesses such as the Indian firm Intas Pharmaceuticals, which has its headquarters in the constituency of the hon. Member for Harrow West (Gareth Thomas) and near that of my hon. Friend

the Member for Harrow East. There are many other such businesses across London, but we know that our nations could and should be doing far more together. That is why we want to strengthen the partnership with India further and faster, building on the bedrock of shared values, common law, institutions and, as the hon. Member for Ealing, Southall (Mr Sharma) said, cricket.

Martin Docherty-Hughes: What do shared values mean, when a UK citizen born in this country—a full UK citizen with a full UK passport—can be arbitrarily detained by an ally?

Mr Jayawardena: I will address the points made by the hon. Gentleman and, indeed, by the hon. Member for Strangford (Jim Shannon) in a moment, but I want to make some progress on trade, which we are also here to discuss.

As part of the road map signed by both Prime Ministers last year, we have set the ambition of doubling our trade with India by 2030, as has been said. That provides a clear framework for our bilateral relationship in future. As part of the road map, we committed to deepening the economic relationship through an enhanced trade partnership, an ETP.

I was delighted to play a role in driving forward that partnership, which is already helping to increase opportunities for British businesses in India by tackling market access barriers, for example, allowing our apples to be imported into India once again—some say, for the first time in 50 years. The partnership has also secured improved access for British medical devices, as noted by Members; committed us to agreeing on mutual recognition of educational qualifications, as requested by the Labour Front Bencher, the hon. Member for Harrow West; and is exploring how we can increase our trade and co-operation in legal services, as raised by the SNP Front Bencher, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry).

Major restrictions such as high tariffs, however, still hold us back, so a free trade deal between Britain and India holds the key to unlocking our enormous untapped trading potential. An ambitious deal could bring huge economic benefits, boosting Britain's GDP by up to £6 billion by 2035 and delivering a triple bonus of higher wages, lower prices and greater choice for British consumers. We could slash taxes on British exports, such as whisky, whether from Scotland, Northern Ireland, Wales or even England—

Navendu Mishra: Will the Minister give way?

Mr Jayawardena: I will make some progress. Whisky and cars, from across our nation, face import duties of 150% and 125%, respectively, in the Indian market. A trade deal could give British businesses a first-mover advantage over American and European firms in India, positioning our exporters—as said by my hon. Friend the Member for Wyre Forest (Mark Garnier)—at the front of the queue to meet the expanding demand for world-class goods and services from India's tens of millions of middle-class consumers.

Increasing trade-led growth could benefit Scotland by up to £220 million, Wales by more than £120 million and Northern Ireland by £70 million, while delivering tens of millions pounds-worth of growth across every English county, including counties in the west midlands,

[Mr Jayawardena]

where a deal could bring a boost of up to £300 million, providing fresh opportunities for firms that do business with India, such as Acleron Energy in Worcestershire and Fortress Security in Wolverhampton. Opening the door to further trade-led growth for firms in the south-east could see a boost to their collective economy of about £430 million in the long run. Such companies include manufacturer He-Man Dual Controls based in Hampshire—not in my constituency—and Larchfield Aerospace in Kent.

The trade deal has the potential to benefit SMEs, which account for 80% of British trade in goods to India in 2020. Smaller firms are disproportionately hindered by costly trade barriers and, as a result, they stand to benefit the most from a deal that cuts red tape and reduces administrative burdens.

Any agreement will be a future-facing deal, expanding the business we do with India in cutting-edge sectors that are shaping the global economy, pushing the boundaries of technological change from fintech to clean tech, automation and AI. As the world's second-largest services exporter, Britain is perfectly placed to support Indian growth in those fields, taking our partnership in the industries to the next level.

None of that will alter this Government's commitment to uphold British values. I said that I would address this point: we condemn any instances of discrimination of religion or belief, regardless of the country or faith involved. Where we have concerns, we raise them directly with the Government of a particular country, including the Government of India, at official and ministerial levels. That continues to be so in the case referred to by the hon. Member for West Dunbartonshire (Martin Docherty-Hughes), which the Foreign Office has raised more than 70 times—

Martin Docherty-Hughes *rose*—

Mr Jayawardena: I am afraid I do not have time today, but I am sure we can continue the discussion.

This deal will help to define the future for the global Britain that we are building. It will lay the foundation of our trade relationship with one of our strongest and most important global partners. It will place the world's oldest democracy and the world's biggest one side-by-side as we champion a world view that puts people first. It will shape how a modern, ambitious and truly global Britain is using the irresistible power of free trade to tear down barriers to growth.

Motion lapsed (Standing Order No. 10(6)).

Agriculture: Sustainable Intensification and Metrics

11am

Philip Davies (in the Chair): I remind hon. Members that there will not be an opportunity for the Member in charge to wind up, as is the convention for 30-minute debates.

Julian Sturdy (York Outer) (Con): I beg to move,

That this House has considered sustainable intensification and metrics in agriculture.

It is a pleasure, as always, to serve under your chairmanship, Mr Davies. In bringing forward this debate, I declare my interest as an arable farmer and as chair of the all-party parliamentary group on science and technology in agriculture.

The world needs to increase food production and availability by 70% by 2050 to keep pace with the food needs of a rapidly increasing and expanding global population in the face of climate change and the increasing pressures of the world's finite natural resources. With its good soils, temperate climate, professional farming sector and world-leading research and development, Britain is uniquely placed not only to optimise its capacity for sustainable and efficient food production, but also to become a global hub for agriscience excellence and innovation, exporting technological solutions, attracting inward investment, and fostering international research co-operation. Outside the EU, Britain has a unique opportunity to lead in those fields and to put significant vigour and evidence at the heart of UK policy development.

Jim Shannon (Strangford) (DUP): I also declare an interest as a landowner and as a member of the Ulster Farmers' Union. I commend the hon. Gentleman for bringing this debate forward. My constituency of Strangford is able to yield three potato crops a year due to sustainable, innovative farming and premium land. Does the hon. Member not agree that a UK-wide survey of soil quality and climate may enable farmers to slightly change their methods and allow us all to reap the benefits of additional produce with minimal environmental impact?

Julian Sturdy: I completely agree with the hon. Gentleman. Soils play a hugely important part in the wider metrics of agriculture. Knowing the Minister very well, I know that she shares a passion for soils, so she might touch on that in her response.

Early action by the Department for Environment, Food and Rural Affairs to make gene editing regulations more science-based and proportionate, which realigns our approach with that of other countries such as Australia, Japan, Brazil, Argentina and the United States, is a positive and welcome first step. I am pleased to see that coming forward in a statutory instrument at the beginning of March, I believe—perhaps the Minister can clarify that.

Members of the APPG for science and technology in agriculture led calls for the Government to take action on that issue during the passage of the Agriculture Act 2020, and we are grateful to the Minister for listening and responding to those calls. Access to precision breeding tools will bring new opportunities to keep pace with demands for increased agricultural productivity, improved

and more efficient resource use, more durable pest and disease resistance, better nutrition, and improved resilience against climate change.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The hon. Member is making an excellent speech and I am in complete agreement with his points. I was brought up on a dairy farm, and in those days the Milk Marketing Board secured a price floor for milk. Today, I would suggest to the hon. Member that we have a problem in that the price farmers can secure could undercut everything to which the Member refers. Does he agree that one of the opportunities of Brexit is that it gives Government the power to examine the issue and consider support mechanisms, so that people do not leave farming altogether?

Julian Sturdy: I completely agree with the hon. Member that we have to ensure that we protect our farming communities and that people do not leave farming. It is so important that we have expertise both on the land and within the sector to make sure that opportunities are there for future generations. The Government must make that clear in their future agricultural policy, and I will touch on that shortly, because I have concerns about its direction, which is, I think, what the hon. Member was referring to.

When we talk about gene editing, we must ensure that future farm policies embrace and support the use of all the new, innovative technologies. Like many others in the sector, I am concerned about the direction of travel of the Government's future vision for agriculture. As I just said, I am concerned about where future policy is going. We cannot afford to be complacent with something as fundamental as food security. The global food supply and demand balance remains as precarious today as 11 years ago, when Sir John Beddington's Foresight report urged Governments to pursue a policy of sustainable intensification in agriculture to meet future food needs in the context of population growth, climate change and the finite national resources of land, water and fossil fuels.

Last year's "Agricultural Outlook 2021-2030" report by the OECD and the Food and Agriculture Organisation warned that, with 8.5 billion mouths to feed by 2030, a business-as-usual approach will fall short of achieving sustainable development goal 2 on zero hunger by 2030. The report also highlighted the critical role of public and private sector research and development investment in enhancing productivity on existing farmland to alleviate pressures and bring more land into production. We have a responsibility to optimise our capacity for sustainable, efficient food production and to not offshore our food system's impacts to regions of the world that are more vulnerable to the production-limiting effects of climate change.

Concerns are mounting that, without clear vision and a definition of what is meant by "sustainable agriculture", the UK is at risk of sleepwalking into its own food crisis. Writing in *Food Policy*, Robert Paarlberg of the Harvard Kennedy School recently highlighted the transatlantic policy tensions between the EU's farm to fork strategy, referring to the plans to expand organic farming, reduce synthetic chemical use and reject modern biotechnology and the United States' approach, which is to emphasise agricultural innovations based on the latest science, articulated through its global coalition on sustainable productivity growth.

Last September, I wrote to the Prime Minister, urging the UK Government to sign up to that coalition, which was established by US Agriculture Secretary Tom Vilsack, to demonstrate that farmers can adapt to and adopt environmentally friendly and climate-smart farming practices without sacrificing productivity. I did not receive a reply from No. 10, so I ask the Minister: will the UK Government join other countries, such as Australia, Canada and Brazil, in signing up to the global coalition for sustainable productivity growth? Will the Minister explain where the UK sits in terms of the agricultural policy tension described by Robert Paarlberg?

Last year, the all-party parliamentary group on science and technology in agriculture held a meeting on the subject "Whatever happened to sustainable intensification?" It included contributions from leading UK experts in the fields of crop science, agricultural economics, rural policy and conservation science. The meeting highlighted serious concerns that current farm policy development lacks scientific rigour, and that policy focus on sustainable intensification has diminished.

We were reminded that DEFRA responded to Professor Beddington's foresight report by initiating the sustainable intensification research platform, or SIP. That is a £4.5 million, four-year, multi-partner research programme to investigate the challenges of securing the optimum balance between food production, resource use and environmental protection. However, while the concept of sustainable intensification and the scientific rationale that underpins it remains as relevant and urgent as ever, the outputs, recommendations and advice generated through the DEFRA SIP appear to have been quietly shelved and forgotten.

The weight of scientific evidence points to a need to optimise production on existing farmland. Professor Andrew Balmford, a conservation scientist at Cambridge University, told the all-party group that the most effective way to keep pace with increasing human demands for food while protecting habitats and preventing further biodiversity loss is through high-tech, high-yielding production on land that is already farmed, mirrored by explicit policy investments and regulations to make sure that other land is set aside for nature.

Anthony Mangnall (Totnes) (Con): I congratulate my hon. Friend on the excellent speech that he is giving; I particularly agree with the point about land sparing and sharing. His vision for the future, and the idea of what we need to do around food security, is incredibly important. Does he agree that if there is one Department that should probably be based outside London, alongside the agricultural colleges and the experts in this country, it is DEFRA? On top of that, does he agree that DEFRA must provide clarity for farmers to be able to look at how they can incorporate productivity with sustainability and environmentalism to ensure that our level of farming and food security can be sustained?

Julian Sturdy: My hon. Friend makes a very good point. I thought he was about to call for DEFRA to come to his constituency; I would argue that York would make a fantastic location too. The principle of DEFRA moving out of London and into the wider farming community, where our food production is based, makes perfect sense. I completely agree with him.

[Julian Sturdy]

It turns out that sustainable intensification is also the most efficient way to meet climate change objectives, through the increased opportunities for carbon sequestration and storage. The Government must, as a matter of urgency, revisit the policy focus on sustainable intensification as the most effective way—perhaps the only way—to feed an increasingly hungry warming planet. If the term “sustainable intensification” has fallen out of fashion, as DEFRA’s chief scientific adviser, Professor Gideon Henderson, suggested to us recently, then by all means call it something else. However, above all else we must be guided by the science—the science that DEFRA itself has funded.

I am genuinely concerned about a shift away from science and evidence-based policy making in the Department, towards an over-reliance on voluntary and campaigning non-governmental organisations to support the Government’s vision for sustainable agriculture. Nowhere is that more apparent than in DEFRA’s approach to the issue of sustainable metrics in agriculture. While Gideon Henderson suggested to us in January that the Government are a long way from having a mature policy on metrics, correspondence that I have received on this issue from DEFRA Ministers suggests that one particular model, the Sustainable Food Trust global farm metric, is firmly embedded in the Government’s thinking. Not only is the Sustainable Food Trust an activist pro-organic NGO that openly campaigns against technologies that the Government are seeking to enable, such as gene editing, but the model itself is designed to reward less productivity and more extensive farming systems by favouring a whole farm or area-based approach to measuring resource use and the ultimate environmental impact.

Again, Professor Balmford told the all-party group that making meaningful sustainability comparisons between different farming systems would require an assessment of resource use and external impacts per unit of food produced, rather than a per-area-farmed basis. Professor Paul Wilson, an agricultural economist at the University of Nottingham, who leads the Government’s farm business survey programme, agreed that an area-based approach for sustainability indicators such as carbon footprint or greenhouse gas emissions is flawed in principle, and that there needs to be a clear reference point in terms of the amount of food produced to have any relevance.

Professor Wilson also led the metrics component of DEFRA’s SIP, which again does not appear to be feeding into the Government’s thinking. This included a huge amount of work on sustainability metrics and indicators, including the prototype development of a farmer-friendly data and benchmarking dashboard allowing producers to access and compare their performance against those indicators and against a weighted averaging of their peers.

The all-party group has long advocated for the need to embed data science and sustainability metrics at the heart of a policy agenda focused on securing the optimum balance between food production, resource use and environmental impact. We believe that access to metrics capable of objectively and consistently monitoring that balance will be essential to set targets and measure progress for sustainable, efficient production, to develop coherent research and development programmes, to

understand and advise on best practice throughout the industry, and to provide meaningful information to consumers about the sustainability impact of each unit of food produced, whether that is a litre of milk or a bag of potatoes.

In addition to my earlier questions about whether the UK will sign up to the global coalition for sustainable productivity growth and where the UK sits in terms of the agricultural policy tension described by Robert Paarlberg, I will conclude with two final questions to the Minister. To be fair to her, this is not quite her brief, but I know that she has great knowledge in this field, so I look forward to her response.

First, in view of the concerns I have raised, will the Minister agree to submit the global farm metric model to a process of independent scientific scrutiny and validation with leading academic experts in the field? Secondly, will she commit to facilitating a joint roundtable with our all-party group to take forward discussions on the development of robust and meaningful metrics for sustainable agriculture?

Jamie Stone: I am aware that the hon. Member is reaching his concluding remarks. I would be less than honest if I did not say that farmers in my constituency have raised an eyebrow at the concept of wilding, which is very fashionable at the moment. I wonder whether he has anything to say about that. Should that perhaps also be included in any roundtable discussion?

Julian Sturdy: I thank the hon. Member for bringing that up. I could say a lot about wilding, if I am brutally honest; that could fill another debate on its own. I return to the point that I made early in the debate: current farmland needs to be used to produce food in the most effective and productive way possible, but also in the most environmentally friendly way, and unfarmed land needs to be used to protect and preserve the environment. I am fundamentally against the principle of wilding productive farmland because I think it would lead to a food security crisis. We have to be very aware of that. There has to be a balance struck between producing food in an environmentally friendly way to feed a growing global population and enhancing our environment. We can achieve that, but a balance has to be struck between the two. From what we are hearing from DEFRA, I worry that that balance is out of kilter at the moment.

Anthony Mangnall: My hon. Friend makes the point about his opposition to rewilding and about the need for productivity. Does that mean that he is leaning further towards the idea of regenerative agriculture—producing food in a more sustainable manner?

Julian Sturdy: Absolutely. We have to produce more food, but we have to do so in an environmentally friendly way. We have to protect the environment at the same time—there is a balance to be struck. The way we do that has to be led by technology and science; we must go forwards, not backwards. That is the fundamental point that I am trying to get across today. We have to use and be led by science and technology; Government advice and policy have to be led by the science. I hope that the Minister will take that fundamental point away.

I think that I got my request for a meeting with the Minister in before the intervention on wilding. I am more than happy for wilding to be on the table, and I

look forward to the hon. Member for Caithness, Sutherland and Easter Ross, and all the hon. Members involved in this morning's debate, joining that meeting. I very much look forward to the Minister's response.

11.21 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow): It is, as ever, a pleasure to see you in the Chair, Mr Davies. I congratulate my hon. Friend the Member for York Outer (Julian Sturdy) on bringing this subject forward. The Minister for Farming, Fisheries and Food, my hon. Friend the Member for Banbury (Victoria Prentis), would have been responding to the debate, but she is at the National Farmers Union conference, so I am standing in. I am very happy to do so, because the debate touches on so much of what I deal with as the Environment Minister. I will make some points about that as I go along.

We have a great deal of synergy here; I do not really think that we are arguing, as such, about a lot of the points that have been raised. I want to be clear from the outset that everything that I do in DEFRA is science-led—I can absolutely assure hon. Members of that. I sometimes ask officials, “Have we got to do another bit of data gathering and assessment?” The answer is yes, we do, because our work has to be science-focused; we have to have evidence for what we do and how we make policy.

I also want to assure hon. Members that we are not going backwards. Looking after our soil in the way that we hope farmers will in the future is not going backwards; it is going forwards. We will go forwards—yes, with lots of the old ethos and ideas, but also with a great deal of innovation and technology behind us. I want to make that clear at the start.

Food production really matters in this country, and it is at the heart of our levelling-up agenda. The “United Kingdom Food Security Report” set out that we produce 60% of our food supply need, and 74% of foods we can produce for all or part of the year. We are almost 100% self-sufficient in certain things, including poultry, eggs and—weirdly—swedes. We have a very good track record. As we work to deliver our rightly ambitious and world-leading commitments to halt the decline of nature—something to which we are legally committed—and reach net zero, it is critical that we are mindful of food security. However, we need to look at our land and land use strategically; I think that my hon. Friend the Member for York Outer pointed that out himself.

As the Environment Minister, I have a solid background in farming and food production, but also in the environment. For me, the two things have never been separated, and indeed they should never be separated. That means that supporting and enabling sustainable intensification, land sharing and land use change are all in the mix. We have to have sustainable food production, and I think my hon. Friend agrees. Of course, producing sustainable, healthy food is inextricably linked to having a healthy environment.

All of DEFRA's policy programmes in the agricultural transition plan are informed and supported by evidence generated by and developed in partnership with our world-leading UK research institutes, as I am sure my hon. Friend is aware. Alongside our stakeholders—including, as he said, environmental non-governmental organisations, whose expertise, knowledge and passion

we value—we also engage with academia, the science community and industry in developing programmes to ensure that our policies are supported by robust evidence; of course, that includes the chief scientific adviser.

DEFRA works in partnership with research councils, other Departments and agencies via the well-established UK Research and Innovation-led global food security programme, and sets the direction of the £90 million UKRI-led transforming food production challenge fund. More recently, we launched the farming innovation pathways competition under the wider farming innovation programme, through which we are funding projects including a fruit-scouting robot, the use of black fly as a feed alternative, and new approaches to tackling pests and pathogens on vegetables without the use of pesticides. We are, without a shadow of a doubt, moving away from reliance on chemical pesticides. A huge amount of data gathering, research and work is going into that.

Evidence plays a critical role in the development, monitoring and evaluation of our policy programmes. We rely on evaluation and monitoring to work out whether the tests, trials and pilots that we are constantly running are doing the right thing, and whether we should include those things in our policies. Evidence has been vital in underpinning the content of our sustainable farming incentive standards and the development of the net zero strategy in future farming and so forth.

Our thinking has evolved with the evidence, and it is clear that we need to pursue a sensitive approach to this matter. As such, we will invest in new research on land use and agricultural systems as a major strand of the £75 million allocated to research and development in DEFRA sectors announced in the net zero strategy. That investment will build on previous research—including the £4.5 million investment in the sustainable intensification research platform that my hon. Friend the Member for York Outer referred to—and continue to address the pressures identified in Sir John Beddington's 2011 foresight report. That really important document has informed so much of what we are doing now; people might think it has been forgotten, but it most certainly has not.

DEFRA directly funds innovative research on sustainable intensification and transformational approaches in agrifood protection via our core agrifood research programmes. Of course, intensification may not be appropriate for all settings, particularly in areas that are nature sensitive or of biodiversity value; in such areas, regenerative and agroecological approaches might be more suitable. As recognised by Henry Dimbleby in his independent review, we need to combine sustainable intensification and regenerative approaches to agriculture to meet the objectives of our 25-year environment plan while maintaining the secure and healthy food supplies that we need.

Although we have not touched on it in this debate, we must not forget water. We need a supply of water that is not only resilient and sustainable—agriculture needs that, of course—but clean and of good quality. All of this also impacts on agricultural management practices—what farmers do on the ground to produce the food we need. It is all related. As well as long-term food security, many of our schemes are looking at what I call the vital building blocks: healthy soil, water and a biodiverse ecosystem. If we do not get those right, we cannot produce any food at all. My hon. Friend knows my feelings about soil and the testing that will go with those soil standards.

[Rebecca Pow]

I am running out of time, so let me mention briefly that we are doing a lot of data gathering. The natural capital and ecosystem assessment will inform an awful lot of what we do. We are also working closely with the UK Centre for Ecology & Hydrology.

My hon. Friend asked about the US global initiative, which we are looking at. We have started a dialogue with Washington to identify the best way the UK can bring knowledge to the roundtable that he mentioned. I am sure that the Farming Minister would be happy to meet him—as would I, if that would be helpful. I think we are singing from the same hymn sheet, but we need to get that clear and we need to go forward working together.

Motion lapsed (Standing Order No. 10(6)).

11.30 am

Sitting suspended.

Legal Aid: North-West

[YVONNE FOVARGUE *in the Chair*]

2.30 pm

Yvonne Fovargue (in the Chair): Before we begin, I remind Members to observe social distancing and wear masks.

Rebecca Long Bailey (Salford and Eccles) (Lab): I beg to move,

That this House has considered the provision of legal aid in the north-west.

It is a pleasure to serve under your chairmanship, Ms Fovargue.

“If we are to keep our democracy, there must be one commandment: ‘Thou shalt not ration justice.’”

Those are wise words, I am sure we all agree, from the ancient philosopher Sophocles, but universal access to justice is far from a reality here in the UK. Justice is being rationed. On criminal legal aid, as the Law Society states:

“Cuts and the lack of a significant rise in criminal legal aid rates in 25 years has meant the work is financially unviable and solicitors are being forced from legal aid work. Since April 2012, the number of criminal legal aid firms has dropped by 585 (over a third).”

And in the north-west, it shows. There are over 47,000 cases outstanding in the north-west’s courts. Since 2020, there have been over 5,000 ineffective trials in the north-west, and staggeringly, in some areas of the north-west there are not enough duty solicitors to cover days of the week, let alone the number of people who need representation. The Southport criminal duty solicitor scheme has only two solicitors, and Knowsley has only six.

On civil legal aid, the situation is no less acute. The Law Society has mapped “legal deserts”, areas that show the devastating gaps forming around the country in the provision of housing, community care, education, welfare benefits, and immigration and asylum legal aid. In the north-west, 49% of residents live in local authorities with no housing legal aid providers, compared with just 3% in London, and 61% in local authorities with no community care legal aid providers, compared with 25% in London.

I applaud the work of the Greater Manchester Law Centre, which grew out of protests against cuts to legal aid. I also place on record my huge thanks to the Salford Unemployed and Community Resource Centre, known locally as the fourth emergency service. Both organisations try to fill the gaps in the legal aid advice drought that Salford faces, and their staff and volunteers are a lifeline for so many people. However, the reality is that legal representation based largely on charity and volunteerism should not need to exist. Access to justice, just like access to the NHS, should be a universal service available to all.

So what happened? On criminal legal aid, much of the crisis is the result of cuts to legal aid across a range of serious offences, including murder and rape, and a failure to pay for the extra hours a week undertaken by criminal barristers to meet the demands of trials in courts. Since the Conservatives have been in power, criminal advocates have suffered a 40% real-terms drop in earnings from prosecuting and defending.

On civil legal aid, from 2010 the austerity agenda forced through a wide range of cuts. Legal representation on many issues was deemed a luxury by the Government. Those changes were enshrined in legislation through the Legal Aid, Sentencing and Punishment of Offenders Act 2012. LASPO ended the right to legal representation in huge areas of the law: divorce, child custody, clinical negligence, welfare, employment, immigration, housing, debt, benefits and education. People in desperate need of representation were essentially priced out of the legal system. As a result, many people no longer even try to launch legal challenges. The number of civil legal aid matters initiated reduced by 84% between 2009-10 and 2016-17, and it remained relatively stable at the lower rate from 2017 to 2020. Alongside a fall in the number of cases, there was around a 35% cut in the budget for civil legal aid, from £1.2 billion in 2010-11 to £786 million in 2019-20. Where legal aid remains, it is very tightly means-tested, making it out of reach for many.

There are three major causes of the legal aid crisis that the Government need to address today. The first is the impact of austerity and the resulting cost of providing a legal service. The Legal Aid Practitioners Group shows that in 2010, £1.153 billion was spent on criminal legal aid and £925 million on civil legal aid, with a grand total of £2.156 billion spent on legal aid in England and Wales. If we fast forward 11 years to 2020-21, the most recent figures show £563 million spent on criminal legal aid and £724 million on civil, with a total of £1.319 billion. That is nearly a 40% cut in legal aid funding.

One of the most impactful areas has been funding provided for early legal advice. The Legal Aid Practitioners Group says that this has dramatically changed the case mix that providers can run and the stage in the development of a legal problem at which a client can seek advice and a provider can intervene. This is bad not only because that cut in early advice funding undermines the ability of the legal aid providers to continue to sustain a legal aid business model, but because those people facing housing problems and other early stage assistance are unable to seek help in the early stages, thus worsening their situation to the point of possession proceedings, for example, which could have been avoided.

The Government's early legal advice pilot scheme is to be welcomed, but honestly, we know that early legal advice works. We do not need a pilot scheme—we need proper funding for early advice right across the UK.

It must also be noted that the current legal aid tendering process locks providers out of the system until a legal aid agency opens a formal tender round. Providers cannot apply for contracts on an ad hoc basis, and with large-scale tender processes four to five years apart, the number of providers is generally always in decline.

Secondly, legal aid rates have suffered decades of cuts and freezes, and, quite simply, legal aid lawyers are voting with their feet. The number of civil legal aid providers has reduced dramatically—from 3,555 in 2012-13 to 2,342 in 2020—while the number of criminal legal aid providers has reduced from 1,733 to 1,174. Those figures are likely to have fallen further following the pandemic.

Locally, the Greater Manchester Law Centre is aware of two large legal aid housing providers in Greater Manchester that are moving out of legal aid work,

particularly housing advice, in the next six months. In the north-west, we have been made aware of a large not-for-profit in north Lancashire that has just given notice on its legal aid housing and debt contracts, meaning there will be limited provision in northern Lancashire, including Preston, Morecambe and Lancaster.

In addition, recruitment is a massive issue. Low pay and long hours mean that legal aid lawyers are getting older and are not being replaced. It has taken initiatives such as the Justice First Fellowship programme funded by the Legal Education Foundation—a charity, not the Government—to support the next generation of legal aid lawyers.

Finally, legal aid just does not cover the issues faced by many people. Employment law is no longer covered, except regarding discrimination issues, so unless someone is a member of a trade union, which often offers free legal advice to its members, they are not likely to qualify for legal representation. Indeed, no win, no fee lawyers are not really interested in lower level, low income work, and ACAS, great as it is, does not provide legal advice.

The same is true in many cases for debt, immigration and domestic violence. On welfare rights, only a tiny percentage of cases fulfil the criteria for legal aid, despite clients being on low incomes. The staggering fact, however—as I know from the work of the Salford Unemployed Resource Centre, which provides advocacy support at tribunals—is that the majority of benefit sanctions cases that are brought to a tribunal get overturned. That gives rise to the question: how many people across the UK have suffered through these inhumane sanctions and benefits decisions because they cannot access an advocate? As we know, many have tragically taken their own life.

It is clear that urgent action is required. The Law Society calls on the Government immediately to raise civil legal aid rates in line with inflation since 2020 to secure firms' financial liability. Will the Minister confirm that today? In addition, the Government should review civil legal aid, carry out a cost benefit analysis of the value of civil aid, and broaden its scope significantly. They must also reform how it is administered in order to make the system more efficient and less burdensome on practitioners. What action will the Minister take on those issues today? Furthermore, to begin to reverse the decline of criminal legal aid, the Government must start by implementing the recommendations of the independent review of criminal legal aid, especially its recommendation to increase by 15% the criminal legal aid rates, as soon as possible. Will the Minister commit to that today? If not, why not?

Ultimately, the Government must accept that the right to legal aid must be enshrined as a fundamental universal right. Following the early legal advice pilot, the Government might offer small exemptions to LASPO, but that will not be good enough. We need to see significant reforms. We need to see the right for individuals to receive reasonable legal assistance on a broad range of issues that affect their liberty and quality of life, without facing costs that they cannot afford. Justice is the cornerstone of democracy, and a society that rations justice in the way that the UK is currently doing is not a democracy but, frankly, on a dangerous path towards barbarism.

2.41 pm

Kim Johnson (Liverpool, Riverside) (Lab): It is a pleasure to serve under your chairship, Ms Fovargue. I thank my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) for securing this important debate.

The pandemic has had a devastating impact on our justice system, which was already on its knees from 12 years of Tory austerity cuts that have seen the Ministry of Justice lose a quarter of its budget over the past 10 years. The cuts have run deep, with the reductions in legal aid and the increase in court and tribunal fees tipping the scales of justice against those who cannot afford to pay and who are invariably the most in need of such services.

I thank the law centres in my Liverpool, Riverside constituency—the fantastic Merseyside Law Centre and Vauxhall Community Law and Information Centre—which have raised concerns about the desperate situation that they face as a result of the drastic impact of the LASPO cuts on legal aid, waiting times and availability of advice, which have left our legal system barely functioning.

On top of the pressures caused by the pandemic, the cost of living crisis caused by the Government will increase the number of constituents facing problems with rent arrears, welfare benefits, employment disputes, crime and domestic violence. We are standing on a cliff edge, and the poorest and most vulnerable are being left without legal protections and support.

In Liverpool, we are acutely aware of how stacked the scales of justice are against ordinary people. Faced with the unimaginable devastation of losing their loved ones in traumatic circumstances, the Hillsborough families were forced to face the full might of the state as the establishment closed ranks to save its own neck. The families and survivors were given no legal aid funding. In their darkest hours, when they should have been free to grieve for their loved ones, they were instead forced to fundraise to fight for justice. Against the odds, they uncovered the truth. Sadly, however, justice has still not been served.

Thanks to the fantastic work of the families and survivors, supported by my hon. Friend the Member for Garston and Halewood (Maria Eagle), the Hillsborough law is being brought forward. It will provide properly funded legal support for bereaved families at inquest and ensure parity of legal funding for families and public bodies at inquest. It will also introduce a charter for families and a duty of candour on public servants during inquiries, and it will provide a public advocate to act for families during inquests.

Although we urgently need funding to tackle the courts backlog and ensure that justice is a right available to all, not just the privileged few, we also need laws that force public officials and private companies to come clean about wrongdoings and failures. Time and again we have raised the need for these changes, but despite sympathetic platitudes from the Government, we have yet to see action. How much longer can we wait? Will the Minister take the opportunity—here and now—to commit this Government to bring forward these changes in legislation at the very next possible opportunity?

2.44 pm

Dan Carden (Liverpool, Walton) (Lab): It is a pleasure to serve under your chairmanship, Ms Fovargue. I congratulate my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) on securing this important and timely debate.

Access to justice is a fundamental and basic right. Justice cannot be said to be just if it is afforded only to those who can afford it. Therefore, without legal aid, there is no access to justice, and the rule of law breaks down for millions of people.

That is what we have seen over the past decade because, alongside the Government's harsh and sustained attack on the welfare system, deep cuts to legal aid have denied people with little in the way of financial means their legal rights. Across Merseyside, there has been a 41% reduction in solicitors firms providing legal aid since 2012-13, and a 20% fall in solicitors providing criminal legal aid within the same period. Yet these figures only paint part of the picture. Every missed opportunity for proper legal advice may be the difference between someone with a disability receiving or being refused the support they are actually legally entitled to; it may be the difference between someone subject to domestic abuse, domestic violence, being able to take action to stop their physical or financial abuse.

In my Liverpool, Walton constituency, I am proud to host regular surgeries at my office in Anfield, in partnership with the University of Liverpool Law Clinic, which provides free legal advice to members of the public on special educational needs cases. The sessions allow parents to obtain a proper education, health and care needs assessment for their child, or receive assistance to appeal to tribunal on matters including the choice of school.

I want to share with the Chamber an email I recently received from a constituent who attended one of the clinics. She said:

"When we received the 'no decision' letter last year, it was unbelievable how stressful and emotional the situation made us feel for our child and her future secondary school journey. But on attending the advice session you provided, it gave us the hope and positivity we needed to go ahead with the appeal. All we want is for our child to attend school, be happy and thrive, without worry, and for her to now receive an assessment. We hope this will be the case."

I want to put on record my thanks to Deborah Tyfield and the wider team at the University of Liverpool Law Clinic, as well as the nearby law centres in Vauxhall and Merseyside that my hon. Friend the Member for Liverpool, Riverside (Kim Johnson) mentioned. Those organisations provide vital advice to my constituents and people across Liverpool, and yet they tell me how difficult it is to survive in the current legal aid environment.

The absence of adequate legal aid funding has driven out many providers, leaving remaining services overwhelmed. Therefore, the Government must act on the independent review of criminal legal aid. They must act on its recommendation to increase criminal aid rates by 15% to ensure that advice providers can continue to serve local communities. Civil legal aid rates, which have not risen for over 20 years and have faced real-terms cuts, must also rise. A Government who were serious about upholding justice and the rule of law would act to ensure that communities such as mine get the access to justice that they deserve.

I want to finish on the Hillsborough law. My city of Liverpool knows all about injustice. More than three decades since the Hillsborough disaster, no one has been held to account for the unlawful killing of 97 people. The long fight of the bereaved families and survivors is all the evidence we need to know that the legal system is broken. It is weighted in favour of the powerful and

against working people and communities. That is why I support the campaign for a Hillsborough law, which would include a series of measures to rebalance the scales of justice: first, a statutory duty on public officials, including police officers; secondly, publicly funded legal representation for bereaved families at inquests and an end to limitless legal spending by public bodies, to put those affected by public disaster on a level playing field; thirdly, a public advocate to act for families of the deceased after major incidents, a proposal that my hon. Friend the Member for Garston and Halewood (Maria Eagle) has brought before this House but that has shamefully been repeatedly blocked by this Government; and fourthly, a charter for families bereaved through public disaster that is legally binding on all public bodies. Those are the changes we need if we are to build a justice system worthy of the name.

2.50 pm

Mick Whitley (Birkenhead) (Lab): It is a pleasure to serve under your chairship, Ms Fovargue, and I congratulate my good and hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) on having secured this important debate. My learned friends will know better than anyone that there is no greater honour for a practitioner of law than to stand up for the rights of the poor and innocent, but today, there is simply no incentive for lawyers or their firms to engage in legal aid work. Over the past 30 years, fees for civil legal aid work have more than halved in real terms, while fees for criminal aid have similarly fallen far behind inflation.

The consequences have been devastating. Countless firms providing legal aid have folded, while the number of criminal aid providers has fallen by a fifth in Merseyside in just the past 10 years. Fewer and fewer trained solicitors are deciding to enter this important field, meaning that the average age of a criminal duty solicitor working in the north-west today is now 51. Based on current trends, in just a few years' time there will be no legal aid provision whatsoever in some parts of our region. No corner of the UK has been worse affected by the plummeting numbers of legal aid practitioners than the north-west, and it sounds like my constituency of Birkenhead is being hit hardest of all.

In our region alone there are 46,000 cases waiting to be heard by the courts, leaving thousands of victims, witnesses and perpetrators of crime still waiting for justice to be done. It is the poorest who are bearing the brunt: as a representative of some of the most deprived communities in the UK, I am inundated every single day by people seeking support on complex housing, debt and welfare cases. My constituents have the right to expect quality legal advice, but the sad reality is that providers of such advice have become few and far between. Indeed, the legal aid directory now lists just seven organisations with contracts to offer welfare benefit services in the north-west—one for every million people. In the midst of the spiralling cost of living crisis, with so many millions of people dependent on a cruel and often opaque benefits system just to get by, that is an astonishing failure on the part of this Government.

What are the Government doing to address this unfolding catastrophe? Ministers talk about the need to be tough on crime, but that means nothing to the countless victims in my constituency who are still waiting for their day in court. Instead of taking the action that is so

badly needed to tackle the historic backlog in our courts, Ministers are spending their time attempting to erect even more barriers to justice with the Judicial Review and Courts Bill, while their colleagues push ahead with the undemocratic attempt to criminalise peaceful protest; and all the while, more cases pile up on the docket.

The scale of the crisis facing our legal system is unprecedented, but it is not too late for the Government to start putting things right. After 12 long years of allowing the pleas of the legal profession to fall on deaf ears, Ministers must now urgently implement the 15% increase in criminal legal aid fees recommended by the Bellamy review and outline a long-term plan to create a more sustainable sector.

2.54 pm

Afzal Khan (Manchester, Gorton) (Lab): It is a pleasure to serve under your chairmanship, Ms Fovargue. I am also grateful to everybody who has spoken today, especially my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) who secured this important debate. There is much consensus in the room on the importance of legal aid, as well as an appreciation of how it should work and why it is not working now.

It is fair to say that the legal aid system is broken. As Members of Parliament, we all meet constituents who are in desperate need of both civil and criminal legal aid. From housing, welfare and immigration issues to more serious criminal cases, access to legal aid is essential to protect people's rights and livelihood. We are suffering from the serial underfunding of the entire legal aid sector, paired with a strict means test and a huge backlog in the criminal courts. We know that justice delayed is justice denied.

Thousands across the north-west are impacted by this. We have already heard a number of examples of how it impacts ordinary people's lives in the north-west. I recently learned about a couple who were referred to the Vauxhall law centre in Liverpool. Self-employed and unable to work during the pandemic, the couple depleted their savings and eventually fell into rent arrears. When the eviction ban was lifted, their landlord issued them with an eviction notice but, by the time the claim was issued at court, the couple had returned to work, and therefore failed the means test for legal aid. Their savings had gone; their earnings barely covered their bills. Thankfully, the law centre was able to provide support and ensure that the possession order was set aside.

Law centres such as that one are providing an emergency service up and down the country, preventing people from facing destitution, homelessness and even deportation. I want to put on record my thanks to Greater Manchester Law Centre and others for that vital work. It is not right for the third sector to pick up the pieces of the Government's mess. These issues are not new and have been festering for a decade of Tory austerity. Since 1986, there have been progressive reductions in the scope of civil and criminal legal aid, along with strict financial requirements for eligibility, culminating in LASPO in 2012.

As a result, legal aid is now accessible only to less than a quarter of the population, and only for criminal defence and some very limited areas of civil law. Civil legal aid is usually available only in the direst circumstances where specific criteria are met, such as domestic violence,

[Afzal Khan]

discrimination or risk of homelessness. Even when those conditions are met, there is no guarantee that a person will be granted legal aid. More than a third of women who have experienced domestic violence are unable to satisfy the Government's strict requirements for providing proof, and are therefore denied access to legal aid. That is worsened by the fact that there is no remuneration to firms for assisting clients in gathering necessary evidence. As a result, victims must face their abusers in the family court without legal advice or representation.

Legal aid providers have also suffered considerably. Legal aid fees have not increased in more than 20 years, making it unsustainable for many firms to take on legal aid work, creating a shortage of legal aid lawyers, whose capacity to take on these cases is severely limited. The number of criminal legal aid litigators has fallen by almost 30% since 2012-13 in the north-west. The case for civil legal aid provision is even more dire, with what the Law Society describes as "advice deserts" appearing throughout the country. That means that even those who are eligible for legal aid face regional barriers to accessing it. The impacts of that can be felt across the justice system.

To put that in perspective, there are more than 47,000 outstanding criminal cases in the north-west courts. Furthermore, since 2020 there have been more than 5,000 ineffective trials in our region. Those are trials that do not go ahead as planned because of the action or inaction of the defence, the prosecution or the court, including unavailable counsel. That means that there are thousands of victims, witnesses and defendants in the north-west left without justice.

In December 2021, Sir Christopher Bellamy QC, chair of the independent review of criminal legal aid, published his report and recommendations on criminal legal aid in England and Wales. The Law Society has called on the Government to act on the review's recommendations as quickly as possible, but they have so far failed to do so. The recent decision by the Criminal Bar Association to ballot in direct response to the Government's failure to respond to the Bellamy review should be a cause for great concern. By the end of March, the Government will have had the Bellamy review in their lap for some four months. Victims, defendants, witnesses and criminal lawyers cannot wait any longer, because the backlog will remain stubbornly high the longer the Government take to act and risk the complete collapse of the criminal justice system.

Criminal advocates have suffered a drop of 40% in real-terms earnings for prosecuting and defending criminal cases over the past decade. That has been a result of cuts to legal aid rates across a range of offences, including murder and rape. There has also been a failure to pay anything for the dozens of extra hours a week undertaken by criminal barristers to meet the demands of the massive backlog of trials that the courts themselves are buckling under. The Government's repeated stubbornness on fees has caused publicly minded criminal barristers and solicitors to walk from their chosen careers, meaning that their victims are being denied justice. We cannot reduce a record backlog of nearly 50,000 criminal trials if there are not enough lawyers to prosecute and defend.

Ultimately, cuts to criminal and civil legal aid while the Tories have been in power have contributed to a crisis in our criminal justice system and risk creating a

two-tier legal system. Under those circumstances, people in the north-west are at a substantial disadvantage against the parties with access to legal advice and representation, undermining the core principle of equality before the law. Without adequate legal aid, victims are denied justice and criminals left to walk our streets.

The erosion of access to legal aid represents a threat to the rule of law. It does not matter what legal rights an individual has on paper if they do not have the means to vindicate them. The Government pay lip service to levelling up the country. When will they level up access to justice?

3.2 pm

The Parliamentary Under-Secretary of State for Justice (James Cartlidge): It is a pleasure to serve under your chairmanship for the first time, Ms Fovargue. I pay tribute to the hon. Member for Salford and Eccles (Rebecca Long Bailey) for calling this very important debate. I think we all agree on the importance of this subject. I pay tribute to colleagues for their words and to the hon. Member for Manchester, Gorton (Afzal Khan), who I enjoyed meeting as part of the engagement on the criminal legal aid review. In particular, I also wish to put on record my thanks to all the practitioners and everyone working in the courts in the north-west throughout the criminal justice system who helped us keep justice going during the pandemic. They were very challenging circumstances for all of them and particularly in the early months for those who were there face to face and in person, at a time when there was a great fear about the consequences of doing so.

To be clear, I believe that legal aid and legal advice play an incredibly important role in upholding justice and the rule of law, which are both vital tenets of our constitution. The hon. Member for Salford and Eccles spoke about the importance of legal aid in the context of democracy. Access to justice is a fundamental right, and the Government are committed to ensuring that everyone can get the timely support they need to access the justice system.

We usually spend around £1.7 billion annually on legal aid, which provides crucial support for the most vulnerable in society, ensuring that they can effectively access justice when they need to. While that amount was lower in 2020-21 due to the impact of the pandemic—after all, the number of cases being heard collapsed for several months—we put in place measures to support practitioners and are working to reduce the court backlog. We expect to have returned to an annual spend of more than £1.7 billion on legal aid by the end of the current financial year.

Legal aid services are delivered in England and Wales through solicitor firms; not-for-profit organisations, some of which we have heard about today, operating in Liverpool in particular; telephone operators; and barristers, most of whom are contracted by the Legal Aid Agency to do legal work. The LAA makes provision for legal aid services throughout England and Wales to ensure that individuals can access advice where they need it. It regularly monitors the provision of legal aid services in England and Wales. Where issues arise, it takes the necessary action to ensure that service provision reflects local need—for example, by merging duty schemes or conducting localised supplementary tender activity to ensure that appropriate provision is in place.

Before I turn to the wider actions we are taking on civil and criminal legal aid, I want to answer specific points raised in the debate. The hon. Members for Liverpool, Riverside (Kim Johnson), for Manchester, Gorton, for Birkenhead (Mick Whitley), and for Liverpool, Walton (Dan Carden) all referred to the courts' backlog. Of course, that is incredibly important. I am the Minister responsible for court recovery. I understand the great anxiety out there. Cases have been taking a long time. We faced an extraordinary impact on the ability of courts to hear cases, particularly where there are juries in the criminal courts because of social distancing, but we are now recovering and are seeing a reduction in the backlog.

The hon. Member for Liverpool, Riverside spoke about funding for the backlog. We announced £477 million of additional funding in the spending review settlement primarily for Crown court recovery, which I think shows our commitment to addressing the backlog.

Afzal Khan: In light of the extra funding, what support is the Minister giving to make sure that throughout the system police officers, who prepare some of the files, are also recruited?

James Cartledge: I am grateful to the hon. Gentleman for asking that. It gives me a chance to express how pleased I am with the recruitment of police officers. We are on target to achieve 20,000 extra police officers. In my county of Suffolk, we are going beyond the numbers that we expected, so it is very positive in terms of police recruitment.

The hon. Member for Birkenhead mentioned the Judicial Review and Courts Bill. I appreciate that there are aspects of that Bill to do with judicial review and so on that are not directly backlog issues—they are more principles of law, particularly public law—but there are important measures in the Bill that will help us to deal with the backlog, not least the measures that will see more cases moving from the Crown court to the magistrates court. That will have a significant impact, freeing up potentially 2,000 days in the Crown court where we can hear cases—those serious indictable offences of murder and rape that we have heard about—so it is a very important measure included in that Bill.

I have the greatest respect for colleagues, particularly in Merseyside, on the issue of Hillsborough. I understand: this was a trauma for the city. The hon. Members for Birkenhead and for Liverpool, Riverside and others have consistently argued for more action on that, and I understand where they are coming from. They speak with great passion; this was a terrible event. The IPA was mentioned, which is a very good point. We recognise the fundamental importance of placing the bereaved at the heart of any investigation that follows a large-scale disaster and ensuring that bereaved people are supported and given a voice throughout the processes that follow.

Following a 2018 consultation on the establishment of an independent public advocate function, we are carefully considering a way forward. We note the Public Advocate Bill promoted by the hon. Member for Garston and Halewood (Maria Eagle), which is an important contribution to the debate, along with Bishop James Jones's report on the Hillsborough families' experiences, to which we will respond soon. In terms of timing—the hon. Member for Birkenhead knows this is primarily a Home Office responsibility—the Government remain

committed to responding to Bishop Jones's report. We have worked closely across Government and with key stakeholders to carefully consider Bishop Jones's points of learning, and we will publish a response in due course. I am sorry that I cannot say more than that at this moment.

The hon. Member for Liverpool, Walton spoke about a moving constituency case. He hit the nail on the head—this is about our constituents, their experience of the legal system and their access to it. To turn specifically to civil legal aid sustainability and the steps we are taking, I emphasise that we are in the middle of lots of engagement on criminal legal aid, as the hon. Gentleman knows. He has been a part of that. We are also continuing to engage with representative bodies and providers of civil legal aid to increase our understanding of the system. We are considering civil legal aid broadly, looking at a range of factors, from the current remuneration rates to the pipeline into a career in legal aid, as well as the ability of providers to offer legal aid services into the future.

I want to mention some specific points on housing, because I recognise that is a particularly important point in the constituencies represented in this afternoon's debate. As part of our work considering civil legal aid sustainability, we have recently consulted on proposed changes to the housing possession court duty scheme—the HPCDS—to ensure the sustainability of the service and ensure that it meets the needs of the people using it. The HPCDS offers vital emergency, face-to-face advice and advocacy to anyone who is at risk of losing their home. The consultation proposals would amount to a more than £7 million investment in this vital service.

The key changes would remodel the delivery of the HPCDS to become a new housing loss prevention service, incorporating both the existing service of advice and representation at court and the early legal advice before court; expand the scope of legal aid so that providers of the scheme can offer early legal advice on social law matters to individuals facing possession proceedings; contract for individual courts rather than larger geographical areas; and allow providers to claim for the court duty fee in addition to a legal help fee for follow-on work, which is important for remuneration. Finally, the changes would introduce a set attendance fee for all schemes that is double the existing nil session payment. That is also important for remuneration. Officials at the Ministry of Justice are currently reviewing the responses to the HPCDS consultation and the Government intend to publish their response shortly.

The hon. Member for Salford and Eccles made a point about our early legal advice pilot. I am glad that she welcomed it, although with some caveats, it is fair to say. We are due to commence such a pilot later this year and I am bringing forward the statutory instrument on Thursday. The pilot is being funded with £5 million from Her Majesty's Treasury's shared outcomes fund. One of the areas selected for the pilot is Manchester, I am pleased to say. Participants will receive comprehensive legally aided advice covering housing, debt, and welfare benefits.

The early legal advice pilot signifies an important step in delivering a key commitment made in the Ministry of Justice's legal support action plan, which was published in 2019. The pilot is intended to test whether early legal advice leads to early problem resolution and saves money

[James Cartledge]

in the long run. I appreciate that the hon. Member for Salford and Eccles said, “We all know that already”, but, unfortunately, when we go to the Treasury, we need definitive evidence. The pilot will hopefully help in that regard. We intend to use the findings of the pilot to inform future policies relating to legal aid services for social welfare law matters.

To be eligible for the pilot scheme, individuals will live, or be habitually resident, in the areas of Manchester City Council or Middlesbrough Council. Manchester and Middlesbrough were identified as areas with potentially high levels of legal need, and it was felt that the people living within these areas would be most likely to benefit from early legal advice. Our decision was further supported by the Government’s levelling-up agenda, which informed our preference for the pilot to take place in the north-west and north-east. The early legal advice pilot scheme is part of our wider ambition to test what works and for whom, so we can ensure that legal aid is available for those who genuinely need it.

We are reaching the end of a review of the legal aid means test and will publish a consultation shortly. The review has been assessing the effectiveness with which the means test protects access to justice. This includes reviewing the income and capital thresholds, the passporting provisions for people receiving certain benefits, and the level of contributions applicants are required to pay towards their legal costs. We have already made changes ahead of publication of the review. In December 2020, we removed the £100,000 cap on the amount of any secured debt that may be disregarded when assessing the value of an interest in a property.

The rule change will benefit a significant number of applicants for civil legal aid, including survivors of domestic abuse, with many more eligible for legal representation in family proceedings. Last month we removed the means test for legal representation at inquests, available through the exceptional case funding scheme, and for legal help at an inquest for which representation is granted in order to ease the burden on bereaved families at such a difficult time.

As hon. Members know, we have just completed a wide-ranging review of the long-term sustainability of the criminal legal aid market. In light of early findings, in September 2020 we injected up to £51 million per annum into the criminal legal aid system through payments for reviewing unused material, sending cases to the Crown Court and increasing funding for cracked trials and paper-heavy cases.

In December 2020 we launched the second phase, an independent review led by Sir Christopher Bellamy QC, to consider the sustainability of the criminal legal aid system in its entirety. The criminal legal aid independent review—CLAIR—was published on 15 December 2021. Sir Christopher has undertaken a whole-system review of criminal legal aid provision in England and Wales and has considered a vast amount of evidence from a wide range of sources. We recognise the importance of remuneration in delivering the long-term sustainability of the market and are considering Sir Christopher’s recommendations very carefully. Given the detail covered by Sir Christopher, it is right that it receives full and thorough consideration. We aim to publish the

Government’s response no later than the end of March 2022, alongside a consultation on our related policy proposals.

The hon. Member for Manchester, Gorton made the point that many people want that timescale to be accelerated. I understand that. In all the engagement I have held with the Bar Council, the Law Society, the Criminal Bar Association, individual practitioners and other groups that represent practitioners, I have expressed my understanding about where they are coming from in wanting urgent action. We all see that. However, I do not think anyone disputes it is a wide-ranging review covering the criminal justice system in the round, and we cannot rush that. More importantly, we, as a Government, have to abide by public law principles and to be careful that any consultation does not risk being unlawful by not giving everyone adequate time to contribute. I would stress that point particularly.

On the specifics of legal aid provision in the north-west, let me give some numbers. In the north-west, including Merseyside, there are 231 criminal legal aid provider offices, with 166 provider firms, and 337 civil legal aid provider offices, with 213 provider firms. The LLA remains confident there is enough provision of services in the north-west for criminal justice, but, as I said earlier, where issues arise the LLA takes the necessary action to ensure appropriate legal aid provision is in place. For example, the LLA launched a tender in December 2021 in 10 areas, three of which are in the north-west—Cheshire, Trafford and Wigan—for new housing possession court duty contract holders. The outcome of the tender is yet to be finalised and the results will be published in due course.

While legal aid is central to access to justice, it is part of a much broader picture. Since launching our legal support action plan in 2019, we have been exploring several changes across the full breadth of legal support, focusing on what works for the people who need it. The Government are passionate about the importance of giving people access to the right support to enable them to resolve legal problems earlier.

One such example is the £3.1 million litigants in person grant, which was launched in April 2020. The grant is funding 11 projects across England and Wales that deliver advice on a national, regional and local scale to litigants in person at different stages of their problem, within several areas of civil and family law. Through the legal support for litigants in person grant, local services in Greater Manchester and north Lancashire are delivering an integrated regional advice and information network that services the needs of litigants in person from two community hubs, one in each county. These hubs support people across a broad range of areas including employment, family, immigration, housing, debt and welfare benefits. Linked to that is the importance of law centres, which were mentioned by several hon. Members. They will know that during the pandemic we made available £140,000 for the Greater Manchester Law Centre and £120,000 for the Merseyside Law Centre, as well as £60,000 in 2020 and £36,000 in 2021 for the Vauxhall Community Law and Information Centre, and £80,000 for the Equality and Employment Law Centre in Liverpool.

Additionally, we are working to improve signposting services to enable early access to legal support. Last year, in collaboration with the Department for Levelling

Up, Housing and Communities, we launched an online guided pathway pilot to help people living in rented accommodation.

Dan Carden: The Minister has put a lot of information on the record. I know that the law centres will be following the debate closely. Will he go back to the civil legal aid fees that are paid? They have been frozen for 20 years and eroded by inflation. When do the Government intend to take a decision on them? Will there be a full review of the civil legal aid market and its future financial sustainability?

James Cartlidge: The hon. Gentleman makes a good point. As I said earlier—it is important to stress—we are conducting a means test review. That is key to civil legal aid. We will announce our response soon. I cannot say more than that, but it underlines that this in an important moment for legal aid. We are committed to ensuring that everyone can get the timely support they need to access the justice system, whether civil or criminal.

Looking ahead to the future, 2022 will be a big year for legal aid, with the Government publishing our response to the criminal legal aid independent review and bringing forward new proposals on the means test review, as I mentioned in response to the hon. Member for Liverpool, Walton. Alongside this, we will continue to focus on the sustainability of the civil legal aid system in all parts of the country, including the north-west.

3.19 pm

Rebecca Long Bailey: I thank everyone for taking part in today's debate. My hon. Friend the Member for Liverpool, Riverside (Kim Johnson) outlined the terrible situation that the Hillsborough families found themselves in. She said they should have been free to grieve, but instead they were forced to fundraise for justice. That about sums up the sentiment of today's debate.

My hon. Friend the Member for Liverpool, Walton (Dan Carden) agreed that access to justice is a fundamental and basic right. My hon. Friend the Member for Birkenhead (Mick Whitley) said the scale of the crisis is unprecedented. Indeed, that was a point that my hon. Friend the Member for Manchester, Gorton (Afzal Khan) illustrated; he stated very clearly to the Minister that failure to act now risks collapse of the criminal justice system.

I welcome the comments made by the Minister, who genuinely sounds supportive of the legal aid system. He said he was committed to ensuring that people can get access to justice in a timely manner. However, that just

is not happening—and it will only get significantly worse. The Minister mentioned the increase in annual spend and the spending review amount. I would say, in response to that, the amounts that were referred to in the spending review will not be sufficient to stem the crisis in civil and criminal legal aid. He mentioned the review of civil legal aid; that is welcome and I would like to see the details of it, and whether his Department is looking at the broad areas that legal aid should cover. That is certainly a huge issue in my constituency.

When the Minister was asked by my hon. Friend the Member for Liverpool, Walton about increasing the rate of legal aid for the civil legal aid sector, he did not respond, and referred simply to the means test, which is a completely separate issue. That is not the rate of civil legal aid; that is what needs to be addressed as quickly as possible so that legal aid providers can exist, function and continue to provide legal aid to their communities. The Minister also mentioned the early legal advice pilot scheme. As I said earlier, I welcome it but it will not benefit my constituents in Salford—we are not covered by Manchester City Council. Perhaps he will clarify to me separately whether people in Salford, if they go to Greater Manchester Law Centre, for example, would be able to qualify for that scheme.

We know that early legal advice leads to early resolution. I understand that the Minister's hands are tied by the Treasury and he is under pressure to create business cases to justify policies that his Department want to put forward, but, frankly, if we are in a situation where we have to make a business case for access to justice then we are on very shaky ground as a democracy. That is a point that the Minister made right at the start; he said that legal aid was a cornerstone of democracy. He agrees with me on that, and I welcome his comments. If he does believe that, he has to understand that no access to justice means no justice at all.

The Minister needs to address the points that I set out about increasing the amounts that are provided for criminal legal aid—the uplift to 15% as a minimum would be transformative. He needs significantly to increase the funding for civil legal aid and a wider review of civil legal aid is long overdue.

Question put and agreed to.

Resolved,

That this House has considered the provision of legal aid in the north-west.

3.22 pm

Sitting suspended.

Cost of Living in Wales

4 pm

Yvonne Fovargue (in the Chair): Before we begin, I remind Members of the House of Commons Commission's guidance to observe social distancing and wear masks. I will call Jessica Morden to move the motion and then call the Minister to respond. There will not be an opportunity for the Member in charge to wind up because that is the convention in 30-minute debates.

Jessica Morden (Newport East) (Lab): I beg to move,
That this House has considered the cost of living in Wales.

I am most grateful to be granted a debate on this most pressing issue for constituents in Newport East and across Wales, who face an unprecedented cost of living crisis, which has perhaps more accurately been described as a "can't pay the bills crisis". Across Wales, our constituents face galloping prices fuelled by soaring energy bills, which affect the cost of everything. This is leading to deepening inequality, as price rises hit the poorest households hardest—inequality already entrenched by years of Government austerity. With things only set to get worse in April as constituents feel the impact of the energy price cap rise, the Government's manifesto-busting national insurance hike and a forecast rise in inflation, the Government's lack of understanding and empathy about the stark choice households are having to make, and the absence of any meaningful response to address it, is unacceptable. This is a serious situation that demands a serious response.

I am calling the debate today to give voice to the real stories that constituents have shared with me about their day-to-day existence and how their income is not enough to cover rising bills. The following are quotes that constituents have shared with me, because the cost of living crisis is real:

"I reduce the amount of meals I have a week so the food is spread further for my children, I do not use the heating if I am home alone as I cannot afford it and we cannot use it at night as it is just too expensive."

"I've found that buying cheaper, less nutritional food is the only way I can make food last longer for my children. The cost of gas and electric means I struggle to wash and dry their clothes."

"Almost all of my tax credits, if not more, a week go on my gas and electric. Very often I have to go without food to be able to have the heating on."

"The cost of food is jumping quite dramatically, my weekly shop was about £40 a week now it's more like £60 to £80, unfortunately, my wages and benefits haven't gone up to compensate. ... I'm also disabled—I cannot get cold and I use hot water to manage pain!"

"I struggle to feed my children and to keep the house warm, I'm too embarrassed to use a food bank, especially as I work within the community. I have even gone without food so my daughters could eat."

"I've had to cut down to one 'meal' a day to be able to heat our home at night. It's so cold, too cold for my baby in his thickest sleeping bag, so I have no choice."

"I am a community nurse and my pay rise is totally negligible. I am paying a lot of money for petrol and the increase in this is not reflected in the expenses I receive ... Food is costing me a lot more and my heating oil has gone up ... I try not to use the heating as much. I am a middle income family and I am not entitled to any financial support."

"We've had to cut everything back to just the basics of daily living. We are a family of three. We have five jobs between us. We have no social life or time for relaxing ... having to work to make ends meet. It's not living, it's surviving."

These are just a small selection of the responses I received after asking constituents to tell me how life is for them. The overall results of the survey we carried out in Newport East was stark: 95% of those who responded said that they had seen an increase in the cost of living; 76% had cut back or made difficult choices to try and save money; and more than 15% offered that they had used food banks. This feedback chimes with the view of the Bevan Foundation, one of Wales's leading think tanks, which called the current cost of living crisis the most challenging in living memory. Its most recent research paper describes how more than a third of Welsh households have had to cut back on heating, electricity or water, and more than a quarter have had to cut back on food.

We are seeing a perfect storm, with many factors coming together and hitting people at the same time. Since December, the UK's rate of inflation has soared to its highest level for nearly 30 years, and it is expected to peak at 7.25% in April, higher than the growth in wages. A British Chamber of Commerce survey found that 58% of businesses are now planning to raise prices. As the prices we all pay at the till go up, household budgets will be further squeezed.

Food prices are already up. The most recent BBC food price index showed that the cost of some individual food items had skyrocketed by nearly 50% during the last year. Earlier this month, the chairman of Tesco warned that the

"worst is still to come,"

with a potential 5% increase in food prices over the coming months.

The cost of many food items has already shot up faster than the rate of inflation. According to research by Jack Monroe, the price of the cheapest loaf of bread is up by 92%, a can of baked beans by 45% and the cheapest bag of pasta by 141%. All this will be felt most keenly by those on the lowest incomes.

The Child Poverty Action Group suggests that the cost of a food shop will soon rise by £26 each month, with a disproportionate impact on families with children in poverty. The Government's own food security report found that the poorest 20% of households spent a higher proportion of their income on food, and are therefore more impacted by the changes in food prices. These households have already seen their incomes drop since 2017.

Private rents are now £62 per month higher on average than in March 2020, with Wales experiencing some of the highest rent rises after London and Northern Ireland. The costs of mortgage repayments are also up. UK Finance estimates this will add around £26 a month on to a typical tracker customer mortgage repayment.

Rail fares will rise by 3.8% in March, the biggest increase in nine years. For the two thirds of commuters who drive to work, petrol prices have risen to an all-time high this year, with the cost of filling a tank up by an estimated £10. With oil prices likely to rise further, prices at the forecourts will only be ramped up more.

Then there are the soaring household gas and energy prices. Households in Wales and across the UK will see their energy bills rise by nearly £2,000 a year from April, when the energy price cap lifts, an increase of 54%, or an average of £693.

Christina Rees (Neath) (Lab/Co-op): Does my hon. Friend agree that things would be a lot worse in Wales if it were not for the Welsh Labour Government's £330 million package to tackle the cost of living crisis, targeted at helping the most vulnerable through the winter support scheme and the discretionary assistance fund?

Jessica Morden: I thank my hon. Friend for her excellent intervention. In fact, we saw a further announcement and more detail last week.

4.7 pm

Sitting suspended for Divisions in the House.

4.28 pm

On resuming—

Jessica Morden: Before the vote, I was talking about the soaring household gas and electricity prices and about how households in Wales and the UK would see their energy bills rise to nearly £2,000 a year from April, when the energy price cap lifts. I agree with the excellent intervention by my hon. Friend the Member for Neath (Christina Rees) about the interventions of the Welsh Labour Government in Cardiff and how they have used the levers at their disposal to do all they can to ease the cost of living crisis for Welsh people. I will talk more about that later.

The proportion of households spending at least 10% of their budget on fuel bills will be trebling from 9% to 27% and, on top of that, taxpayers will be asked to foot an estimated £120 a household to shoulder the extra costs of the energy companies that have gone under in the last year. Based on that increase alone, National Energy Action Cymru estimates that 280,000 households in Wales could be in fuel poverty come April. That is a further 100,000 households since October 2021, and all that at a time when pay is not keeping pace with rising prices. When we factor in inflation, average weekly pay packets across Britain fell in December by 1.2% and TUC research suggests that real wages are set to fall by £50 a month this year, after taking into account the cost of living, with incomes after tax forecast to drop by 2%. That represents the biggest fall since records began in the 1990s. Although the national living wage may be going up, the proliferation of insecure, casual jobs and cuts to in-work benefits mean that a higher minimum wage does not mean higher living standards.

Nia Griffith (Llanelli) (Lab): Does my hon. Friend agree that, although many people think of benefits as going to people who are not in work, there are in fact a lot of benefits that go to people who are in work? The fact is that there have been swingeing cuts to tax credits since 2010, and even though there was some adjustment to the taper last year, that alone is not enough. With rampant inflation, there now needs to be a real effort to make sure that those tax credits are actually worth something, to make it worthwhile to be in work. At the moment, people face horrendous poverty because of that accumulation of 12 years of cuts.

Jessica Morden: I thank my hon. Friend for that intervention. She is absolutely right: the levels of in-work poverty are really terrifying, and it is those on the lowest incomes who are feeling the squeeze most acutely. As she said, that is made worse by the Government's £20 cut to universal credit in the autumn, which impacted 8,630 households in my constituency. Research from

Wales TUC and the Bevan Foundation suggests that Wales was particularly hard hit by the cuts to universal credit and working tax credit, especially when it comes to the in-work poverty that she mentions.

Of the 280,000 individuals in receipt of universal credit in Wales, around 104,000, or 37%, are in work—the highest proportion of any nation or region in the UK. In April, universal credit will increase by 3.1%, just as inflation is predicted to peak at 7.25%. As the Child Poverty Action Group has highlighted, that means that the real value of universal credit for families with children will fall by around £570 a year on average.

Carolyn Harris (Swansea East) (Lab): Citizens Advice tells us that, heading into the winter, one in 10 families were already facing financial crisis. With food prices going up, utility bills going up and the extra burden of the national insurance payments, families are having to decide between heating and eating.

Jessica Morden: I thank my hon. Friend for that intervention. She is absolutely right. The experiences of her constituents that she relays were borne out in the comments from my constituents that I read earlier on. The average fall of £570 will affect 3,355 families and 6,272 children in Newport East alone. Meanwhile, families across the UK hit by the benefit cap will experience an even greater fall.

Increases in other benefits are totally insufficient in the face of the inflation juggernaut. Carers allowance has increased by only £2 a week, statutory sick pay by £3 a week and the severe disability premium by £2.10 a month. Local housing allowance rates were also frozen again until 2023, meaning that help for housing costs through universal credit and housing benefit have not kept pace with inflation.

Pensioners are also hit hard. Comparing state pension increases to inflation projections, there is a real-terms cut of £355 for a couple on the basic state pension and £222 for an individual. That is not to mention the hundreds of thousands whose pensions have been underpaid because of admin errors and the 1 million pensioner households still missing out on pension credit.

Hywel Williams (Arfon) (PC): I apologise for missing the first part of the hon. Lady's speech—I was keen to vote. Does she agree that we need a measure of inflation that reflects the costs that people—including pensioners and families with children—actually face? In fact, 3,153 children in my constituency will be hit by the change to universal credit.

Jessica Morden: I very much understand the point that the hon. Member makes about inflation, which runs through this whole debate.

On top of all that, the Government have decided to go ahead with the national insurance rise in April, with the average worker's contribution set to be hiked from £274 to £500 a year. National insurance contributions will be charged at 13.25% on earnings up to £50,000, but just 3.25% on income above that threshold. Low and middle-income earners will be affected yet again—a tax on ordinary working people and on jobs. The Government have had an opportunity to do something about the cost of living crisis, but the Prime Minister and the Chancellor have been distracted and slow to act. What have we had so far from the Chancellor?

Dr Jamie Wallis (Bridgend) (Con): The accounts from her constituents that the hon. Lady read out earlier were very moving, and I take that to heart. Does she not think it is time, with the cost of living crisis, that the Welsh Labour Government did more to tackle the huge council tax bills in Wales? Welsh councils are consistently and disproportionately some of the most expensive in the UK. That comes up time and again with my residents. Should she not be putting pressure on her colleagues in the Senedd?

Jessica Morden: We have some of the lower council tax rates, compared with the UK as a whole. The support packages from the Welsh Labour Government are more generous than those of the UK Government. The hon. Gentleman's intervention was timely, because I had just asked what we have had so far from the Chancellor. The answer is a £150 council tax rebate for a limited number of households, which is already less generous than the council tax reduction scheme in Wales, where on average people will pay £17 less on their council tax bill. An average band D council tax bill in England is £167 more than in Wales.

The second measure the Government have come up with is the buy now, pay later scheme of a £200 loan to help with bills, which the public are expected to pay back in full over five years, even if their wages fall in the meantime or energy bills rise further still, or even if they become a bill payer later and do not receive the initial £200 loan. The TUC General Secretary, Frances O'Grady, has highlighted that, for most families, the Chancellor's support package equates to just £7 a week, with more than half of that having to be paid back. As she said,

"It's too little, it's poorly targeted, and it's a stop-gap measure instead of fixing the big problems."

Conservative MPs voted down Labour's proposal to cap VAT on energy bills, after suggesting that we could do that once we left the EU. The Government, let us not forget, have casually written off £4.3 billion lost to fraudsters, but refuse to tax properly North sea oil and gas profits, despite the fact that leading energy companies such as BP are boasting about being cash machines, as gas prices across global markets reach record highs.

In contrast to the Tory Government, in Wales we have a Labour Government who are prepared to step in and help by using the levers that they have. Last week, the Welsh Labour Government set out a £330 million package of extra help. That is a funded package that is significantly larger than equivalent support provided by the UK Government. It includes matching the UK Government's £150 council tax rebate and extending the eligibility criteria, so that many more households will benefit. That is funded by the Welsh Government, as the UK Government made no extra money available, even though they said they would.

The Welsh Government have also announced an extra £200 for low-income households, by extending the winter fuel payment this year and next winter, £25 million for local authorities to help struggling households, and an extension of the Wales national discretionary assistance fund. They have also invested in crucial advice services, food banks and community hubs.

Christina Rees: My hon. Friend might have been about to come on to this point. Will she also congratulate the Welsh Labour Government on their basic income

pilot scheme for care leavers in Wales? That will give care leavers the support they deserve to develop and become independent young adults.

Jessica Morden: I thank my hon. Friend for that intervention. I am glad she mentioned that scheme because I am running out of time, and it is another thing we are able to highlight. All those steps are in addition to Wales's more generous council tax reduction scheme, the warm homes programme, free prescriptions, a free school meals programme and more. Their actions ensure that people who need support get support, but many of the solutions fall in non-devolved areas, which is why it is the responsibility of the UK Government to step up.

The Government should look again at the practical solutions Labour is putting forward. A one-off windfall tax on North sea oil and gas profits could pay for the removal of VAT on energy bills for a year, and an increase and expansion of the warm homes discount. That is a support package that could mean up to £600 for those who need it most. The UK Government should also reconsider their increase to NI and cuts to support.

The Minister should look at the sensible five asks on the cost of living that the Welsh Government put forward last month, none of which has been responded to. They include the social energy tariff to support lower-income families, increasing local housing allowance, increasing the support available through the warm home discount and other winter fuel payment schemes, expanding suppliers' ability to write off household energy debt and removing the regressive social policy costs imposed on household energy bills by moving those costs to general taxation.

In the longer term, we need a fundamental reform of our energy system. We also need the Government to set out a national strategy for food, including how they intend to ensure access to high quality, sustainable, affordable food for all and meet the United Nations goal to end hunger by 2030. The national Food and Drink Federation has been clear that it wants greater collaboration between the industry and Government on finding a solution. The next Labour Government would support business to bolster the sustainability and affordability of good quality food.

As the Welsh Government said last week:

"Paying bills, heating homes and putting food on the table shouldn't be so hard."

They have taken the action they can with the levers they have available to them. If the Conservative party will not take action, the Opposition stand ready to.

4.40 pm

The Parliamentary Under-Secretary of State for Wales (David T. C. Davies): It is a pleasure to serve under your chairmanship, Ms Fovargue. I apologise for the fact that I was at the vote for a few minutes, as one or two others were. I congratulate the hon. Member for Newport East (Jessica Morden) on securing this debate, and I thank those who have contributed. I am pleased that we are having this debate on a subject that is of great importance to colleagues. I want to make it absolutely clear that I fully accept that there is a cost of living crisis. It is a global crisis with many causes, one of which is the quadrupling of gas prices as a result of factors such as the sudden increase in demand for goods and energy as

we come out of the covid crisis, and the inability of some suppliers to match that need. It is a global crisis, and I do not deny for one minute that people are suffering.

It is worth reflecting on the unprecedented support provided to businesses and individuals by the UK Government in Wales during the pandemic: 475,000 Welsh jobs have been protected through the furlough scheme, billions have been provided in Government loans to Welsh firms and an extra £3.8 billion of Barnett-based funding has been provided to the Welsh Government. The hon. Lady suggested that the extra money for the council tax rebate had not been supplied yet. That might be the case, but it will be supplied because it was a Barnettised sum, so I am certain that that money will arrive. That is why the Welsh Government were right to pass that reduction on.

The pandemic has had a significant effect on the global economy, and the Government have intervened to ensure that the UK persists and is strengthened throughout the economic challenges. As a result of actions taken by the Government, more people are on a payroll than before the pandemic began. The UK economy is the fastest growing among the G7 nations, so I hope we can agree that the best way to support people's living standards is not through handouts but by offering access to good quality jobs, better skills and higher wages.

We are helping people across the UK, including in Wales, to find work and to boost wages and prospects through our plan for jobs. That includes the kickstart scheme, which has seen 122,000 young people begin work across the UK, including 6,000 in Wales. I am pleased to say that the Wales Office has a kickstart worker from Merthyr Tydfil working in our Cardiff office, and I was absolutely delighted to meet her today.

We are increasing the national living wage by 6.6% to £9.50 an hour, which will benefit more than 2 million workers. We want to ensure that people in Wales keep more of what they earn, so we are raising income tax personal allowances and freezing alcohol and fuel duties. Although the price of filling up a tank has gone up, it is still £15 cheaper than it would have been if we had kept the original fuel duty escalator.

We have also, as the hon. Lady knows, reduced the universal credit taper rate from 63% to 55%, and we are increasing universal credit work allowances by £500 a year. Together, that should mean more than a million households—I do not have the exact figure, but it is certainly a significant number of households—keeping an extra £1,000 a year, on average.

We absolutely recognise that this is a worrying time because of significant increases in global energy prices. We understand that people such as the hon. Lady's constituents are concerned, and we have done what we can to help. We have provided £12 billion of support over this financial year and next to ease the cost of living pressures across the UK. We have targeted help for working families, low income households and the most vulnerable in society, in addition to providing a £9.1 billion package of support to help households with rising energy bills during 2022 and 2023.

The hon. Lady is right about the impact that these prices will have, but we cannot do very much about the fact that global gas prices have quadrupled in the last

year alone. This will be an issue for every country across the world. The more dependent a nation is on gas, the more of an impact that will have.

Jessica Morden: The Minister is quite right, but he missed the comments that I read out from constituents about how hard life will be. He is also quite right that there is a global gas crisis, but we are more exposed to it because of a decade of Tory mismanagement. Gas storage has been cut, so we are reliant on Russia and other countries. We have been slow on insulating homes and we have not been investing in renewables. Does he not accept that?

David T. C. Davies: Funnily enough, I do not accept that. First, gas storage will make no difference whatsoever to the price. It does not matter if we are storing two, 20 or 200 days' worth of gas, because if the unit price of gas has gone up at some point, we will have to pay that higher price.

Carolyn Harris: Will the Minister give way?

David T. C. Davies: I will in a moment. Let me finish my speech—as Opposition Members know, I like to take interventions and then I completely lose my place.

I do not accept that storage was an issue. We made a decision, as a nation, that we were not going to frack for cheap gas, but we are not dependent on Russian gas. Only about 2% of the gas we use comes from Russia, and we could easily do without it. We import mainly from Norway and take liquefied natural gas, as well as using our own. We are not dependent on Russian gas, but other countries in the EU are, and that will have an impact on supplies overall.

As far as renewables are concerned, we have an amazing story to tell. We have vastly increased the amount of renewables we use, mainly from wind. We are now developing offshore wind power, and even looking at floating offshore wind. The hon. Member for Newport East will realise that the transition towards carbon neutrality comes at a cost. We should not hide the fact that low-carbon energy sources, such as wind and solar, generally cost more than carbon-based energy sources, such as gas and coal. I wonder how many minutes I have left.

Yvonne Fovargue (in the Chair): You have until 4.49 pm.

David T. C. Davies: I will take a quick intervention from the hon. Member for Swansea East (Carolyn Harris).

Carolyn Harris: In France, where the industry around energy is nationalised, there have been nowhere near the price hikes that there have in this country, where we have allowed the Government to allow the companies to get away with blue murder.

David T. C. Davies: I fear the hon. Lady may not be right about that. About 70% of the electricity in France comes from nuclear power plants, which are already built. That is one reason why they have managed to control their costs. I hope we will be building nuclear power stations across the UK, and I would very much like to see one built at Wylfa in Wales; there is pretty much cross-party support for that.

[David T. C. Davies]

I welcome the fact that we are going further and looking into developing modular reactors. I know the hon. Member for Newport East is chair of the all-party parliamentary group for the western gateway, and I may see her later on when I talk to that group about the spherical tokamak for energy production, which could lead to nuclear fusion by 2040.

Jessica Morden: Will the Minister give way?

David T. C. Davies: I have only 30 seconds left and I have a conclusion here as well, but I give way to the hon. Lady.

Jessica Morden: Does the Minister accept that a failure to regulate our energy market has led to dozens of energy companies going bust and consumers footing the bill for that? Consumers have had to move their bills to new energy companies, and they do not know what those will be like in the future.

David T. C. Davies: A fairer analysis would be that a lot of energy companies had not expected prices to quadruple and had given people fixed prices. In conclusion, this has been an excellent debate and I wish we had more time for it.

Motion lapsed (Standing Order No.10(6)).

Kinship Care for Babies

4.49 pm

Yvonne Fovargue (in the Chair): Before we begin, I remind hon. Members to observe social distancing and wear masks.

Dame Andrea Leadsom (South Northamptonshire) (Con): I beg to move,

That this House has considered kinship care for babies.

It is a pleasure to speak under your chairmanship today, Ms Fovargue. Parents come in all shapes and sizes, and today I want to touch on the role of kinship care, particularly for babies. Recently, a constituent came to my surgery to talk to me about his then eight-month-old niece. For a couple of months, she had been under the care of her grandmother, who was understandably struggling to cope with the needs of a baby, so my constituent and his wife agreed to become kinship carers.

It was clear to me that my constituents were both fully committed to raising their niece as their own daughter, but it was also apparent that the level of support they received was almost zero. In order to formalise the kinship care arrangement, they each had to take a week of paid holiday to undergo compulsory training and complete all the administrative arrangements with the local authority. Then, to enable them spend vital time with their now almost one-year-old niece to build the secure bond that is so essential to the happy upbringing of any child, my constituent and his wife were only eligible for unpaid leave from their respective businesses, both of which are significant employers in the UK.

My constituent pointed out to me that if they had been formally adopting this gorgeous baby, they would have received similar pay and leave rights to birth parents—as it happens, both their employers would have offered up to 39 weeks of parental leave at close to full pay. My constituent, who also has older children of his own to support, had to choose between earning and parenting. Even if they had been fostering this baby, they would have received an income from the local authority, as well as ongoing support. This situation seems to me to be completely unfair.

It is estimated that 200,000 children in the United Kingdom who cannot live with their birth parents are being brought up by kinship carers—grandparents, older siblings or other wider family members. In England, surveys suggest that 51% of kinship carers are grandparents. Over 40,000 children in kinship care in the UK are aged nought to four. In my work on the Government's early years healthy development review, we demonstrated the vital importance of the earliest years of a baby's life. It is in the period from conception to the age of two—known as the 1,001 critical days—that the building blocks for good lifelong physical and emotional health are laid down. The quality of a baby's attachment to their principal caregivers will literally determine their lifelong potential.

In its 2021 state of the nation survey, the charity Kinship reported that 96% of kinship carers expect their children to live with them permanently. It is clear that the kinship route has a low rate of disruption, offering much greater levels of stability for children than non-kinship foster care. Additionally, there is less

risk of placement instability, and the likelihood of emotional and behavioural difficulties is lower, when children are in kinship care than when they are in non-kinship foster care. Where a baby is unable to stay with his or her birth parents—perhaps for reasons of death, mental health issues, incarceration, addictions or other problems—the younger the placement into kinship care, the greater the chance of a secure future for that baby or child.

One of the key concerns raised by every parent and carer, including kinship carers, during the research phase of the early years healthy development review was that parents and carers simply do not know what kind of support they might need. Even if they do know, they struggle to get access to the help that they are looking for. The Government's vision for the best start for life seeks to address that fundamental challenge by requiring every local authority to publish a Start for Life offer for every new family in England and to provide universal support for every new family through the family hub model.

I was delighted that the Government announced in the spending review a £500 million investment package to help every family across 75 upper tier local authority areas over the next three years. The Start for Life unit is currently looking at how those 75 local authority areas will be selected. The spending review commitment includes £82 million for transformation of existing children's services into family hubs. It also includes £100 million for infant and perinatal mental health services, £50 million for parenting programmes and another £50 million to develop breastfeeding support services, as well as a £200 million uplift for the supporting families programme. The commitment in the spending review also includes funding for early years workforce pilots to improve the capacity and skills mix of the early years workforce, as well as funding to enable every local authority to publish their Start for Life offer.

During the research phase of the early years healthy development review, we spoke to a number of kinship carers and heard directly from them about the extent of the additional practical and emotional support that they so often require when a baby or child who is going into kinship care has experienced significant trauma and neglect before arriving in their new family. The review also heard that kinship carers, particularly grandparents, often face financial problems as a result of caring for a young baby or a child. Kinship carers often step in to help just because it is the right thing to do for their broader family, but the personal sacrifice for them can mean having to give up work and make considerable changes to how they live. Clearly, for kinship care of babies to be a success, it is critical that there are good quality joined-up services to support the parent and infant relationship, but it is also vital that employers step up to the mark and treat kinship care of babies in the same way as they would childbirth, fostering or even adopting a baby.

Before covid, when I worked on the employment rights Bill as Secretary of State for Business, Energy and Industrial Strategy, I pushed the idea of flexible work as standard for every employer. Flexible working can include part time, flexitime, compressed hours, staggered hours and job sharing. Since 2014, all employees have had the legal right to request flexible working, but it is still up to the employer whether to grant the request.

Unfortunately, in too many cases we find that employees are afraid to request flexible work because they fear they will be seen as not committed. There is evidence that this can increase job insecurity—another reason why employees will be reluctant to request flexible working.

Flexible work as standard would involve jobs being advertised without a specific proposal for the number of hours or the days of the week to be worked. The employee would apply for the role and offer the working arrangements that suited them, and it would be for the employer to agree, to negotiate or to refuse. As we look to recover post pandemic, this policy can reflect the reality of post-covid preferences and support the needs of families, but it can also support the needs of employers. There is plenty of evidence to suggest that allowing and even encouraging people to work flexibly can boost productivity, increase diversity in the workforce and help general wellbeing. That would be a win for employers and a win for the quality of life of employees. I hope the Government will consider the role that that can play in our recovery.

Not only can more flexible work help our nation's fiscal position and mental health, but it could encourage more families to consider kinship care or fostering. With so many families struggling and so many thousands of children already in care, a more flexible approach to work could enable many more children to benefit from the security and love of a family environment. I am aware that my hon. Friend the Member for South Ribble (Katherine Fletcher) is working on a private Member's Bill, the Kinship Care (Parental Leave) Bill. I pay tribute to her for her work in the area, and I pay tribute to all across the House who recognise what unsung heroes kinship carers really are.

I will end my remarks with good news. My constituent has recently been back in touch and has told me that, following his story, his employer is considering reviewing its employment practices and will be setting up a working group to look at better supporting kinship care. That is great news, and I hope other employers will listen to his story and be inspired to see how they can better support families and kinship carers right across the UK.

Yvonne Fovargue (in the Chair): If people keep to around seven minutes, I think everyone should get in. I call Andrew Gwynne.

5 pm

Andrew Gwynne (Denton and Reddish) (Lab): Thank you, Ms Fovargue. It is a pleasure to serve under your chairmanship. I thank the right hon. Member for South Northamptonshire (Dame Andrea Leadsom) for having secured such an important debate and for the work she has done in this important area.

I start by declaring an interest, because I and my wife Allison are kinship carers to our beautiful grandson Lyle. I also sit as the co-chair of the all-party parliamentary group on kinship care. This is not an easy debate for me to take part in. I understand the issues with kinship care in this country all too well. Allison and I have lived the uncertainty, the heartache and the sleepless nights. We have spent countless hours trying to navigate an incredibly complicated system, one that is in dire need of reform and that all too often feels devoid of compassion.

[Andrew Gwynne]

Soon after Lyle was born, it became clear that his parents would be unable to care for him. Allison and I went through the family court and eventually managed to secure a special guardianship order. An SGO gives us parental responsibilities and enables us to make important decisions about Lyle's upbringing. However, a lack of legal aid often means that kinship carers rack up extraordinary costs during the legal process. I have heard stories, both personally and in my capacity as chair of the APPG, of families being dragged into substantial debt, all for trying to do the right thing and be there for a child in need of their support. It is not right. We are leaving families in a legal labyrinth, with precious little in the way of financial or emotional support. As the right hon. Member for South Northamptonshire set out so eloquently, living with a family member is often the best course of action for a child, yet the system does not feel optimised to facilitate kinship care. People are often left at sea, scrambling to meet mounting legal costs, all while trying to hold their family together in extremely difficult circumstances.

At the centre of all this is a child. In my case, it was baby Lyle—he is now three, so he is not so much of a baby. Allison and I are often praised for choosing to look after Lyle, and while those comments are obviously well intentioned, they somewhat miss the reality of the situation many kinship carers find themselves in, because kinship care is not really a choice: it is ultimately about love. When Allison and I looked at Lyle, our baby grandson, we did not have an option. We would be there for him no matter what. When it became clear that we would need to look after Lyle, we did not think twice, and I believe that very few people would.

The fact is, though, that we are fortunate enough to be in a position to meet the legal and financial demands of kinship care, but what about the other 180,000 children in kinship care? What about the kinship carers who are not Members of Parliament? What do they do? There is massive variation in how local authorities address, assess and support potential kinship carers. Such a massive decision, which ultimately boils down to the welfare of a child, should not amount to a postcode lottery.

In my capacity as co-chair of the APPG, I work closely with the charity Family Rights Group and the Kinship Care Alliance. Their agenda for action makes a number of policy recommendations that would instigate transformational change for kinship carers across the country. That includes calling for more to be done to ensure that local authorities explore the option and suitability of kinship care in the event that a child needs to be looked after. That means working with families in a proactive way and letting the wider family take the lead in making a safe plan for the child in question. It also includes recognising the practical and financial consequences of kinship care. That means giving kinship carers the right to a period of paid employment leave as well as ensuring that there is suitable specialist advice available, irrespective of the local authority or postcode. I hope that the Minister, in his response, will recognise these calls and outline what steps the Government will take to work with kinship care and sector leaders to recognise and reform a system that has been neglected for far too long.

I would like to conclude by sharing something that defines the start of my working week. Every Monday morning, I am waved away from Stockport railway station by both Allison and Lyle as I set off for another week in Westminster. Leaving Lyle does not so much tug on my heartstrings as heave on them. However, as the train pulls away, I am always filled with an enormous sense of gratitude and love. I am very lucky to be Lyle's grandad and kinship carer.

I started my contribution by stating that this is not an easy debate to take part in, and it is not. However, I believe that it is my responsibility as an elected representative and Lyle's grandad to speak up for kinship carers and to use my own experience to try to effect positive change. Ultimately, that is what politics is about, and I hope that, sooner rather than later, the Government recognise that change is needed and, more importantly, proactively do something about it.

5.6 pm

Ben Bradley (Mansfield) (Con): It is a pleasure to serve under your chairmanship, Ms Fovargue. I congratulate my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) on securing the debate and on her incredible campaign and passion for this subject, particularly around the first 1,001 days. Her knowledge of this subject is second to none in this place, so it is a privilege to speak in her debate today.

I will touch on the care market in general and then on kinship care and perhaps babies, as per the title of the debate. Children's services around the country are under massive pressure and are our biggest budget pressure from a local authority perspective. People talk about social care, and I wish I could spend the money in social care, but the staff do not exist, so the biggest budget pressure is in children's services. Every year we battle with the overspends.

At the same time, we are also tackling what are very often poor outcomes for children in the care system. Mostly, it is best for children to be with families. There were 57,000 children in the fostering system this time last year, but fostering is also a challenge in the current climate. Covid isolation—not being able to have people come and go from one's house—has had a huge impact on fostering and the ability to recruit and retain people in the sector. The Competition and Markets Authority's report on the children's care sector has said that the market is broken and in need of significant work, which further highlights just how important kinship care is and will increasingly be in the future in what is otherwise a volatile market.

Living with family or friends is often the best outcome for a child. It is also cheaper from a local authority perspective, and it is outside the market pressures that mean that fostering and adoption are so difficult. It is something we could manage much more easily if we wanted to do so, but as my right hon. Friend the Member for South Northamptonshire touched on, there is inconsistent support, and much less support than for fostering or adoption, even though there are additional challenges that do not exist in those areas, such as the relationship with birth parents. More often than not, we would hope, there is a reason why families cannot look after their child, which can lead to incredibly strained relationships with whoever looks after the child. I do

not want to stereotype, but my right hon. Friend touched on some reasons why that might be the case, including imprisonment and substance abuse. Clearly, if granny or grandad takes on a child in such circumstances, with perhaps a mum or dad who is on drugs or an alcoholic, it can be an incredibly difficult relationship for them to manage alongside the work pressures, financial pressures and everything else that comes along with kinship care. Sometimes it just has to go in the “too difficult” box without the support that exists.

Kinship carers also get less access to free childcare, which does not happen in other parts of the care system. Almost uniquely, kinship carers do not access the 15 or 30 hours’ support in the same way as parents who adopt, which is something very simple that we could do. In Nottinghamshire, we are investing in that in our budget this year; we are putting £400,000 into a specific kinship support scheme. When we look at how we are going to balance our budget in children’s services over the coming years, it clearly has to be by having more of that kind of support—keeping kids in their own homes or in the home of a family member or friend through kinship care—and having less expensive residential care, which we know costs a fortune and where the outcomes are typically not good.

The more that we can invest up front in those proactive services to help kinship carers to cope and look after relatives, and to mitigate those financial challenges, the better off we will be in the long term, both financially and in terms of outcomes. We want to look at how we incentivise granny and grandad, or aunt and uncle, to take on that challenge and keep their family member in a loving home environment. We will invest in that in our budget this year, and I am very proud that we are doing that for the first time.

The national review of children’s care services needs to highlight the importance of kinship care and increase the simplicity of, and access to, that support. That should be tackled alongside the well-understood and discussed challenges around fostering and the wider care market, which are really challenging. From a purely financial perspective in local government, early support and intervention to help people access kinship care are much simpler and cheaper than the challenge of providing long-term residential care and, ultimately, of having to look after people throughout most of their adult lives because outcomes are often very poor.

In her example, my right hon. Friend the Member for South Northamptonshire highlighted cost and the lack of comparative rights, when compared to adoption and fostering. I have touched on some of those, and there has to be more that we can do to rebalance things. The private Member’s Bill of my hon. Friend the Member for South Ribble (Katherine Fletcher) sounds like a fantastic start to being able to do that, and I look forward to supporting it in the House.

My right hon. Friend also focused on babies. We know that the earliest years are absolutely vital in terms of emotional connections with family, communication and language, and social skills and the ability to meet and engage with other children. Security is very important when it comes to things like that. Going in and out of different foster homes with different people, or going in and out of the care system in different ways, cannot be a good environment, particularly for babies. All the way

through the system, kinship care tends to be a much more secure and long-term placement.

My right hon. Friend is right to highlight all the good work that has happened around the early years workforce and the investment in family hubs that was in the Budget last year—again, in Nottinghamshire we are very much promoting and supporting that model. All these things will boost the life chances of young people. There are many positives, but it is also clear that more could be done on kinship care, the care market and fostering.

I urge the Minister in his closing remarks, and over the coming months and years—particularly through the children’s care review—to help us support services such as the one that we are rolling out in Notts. I think that will be a fantastic start but there is much more that we could do, and I would welcome his thoughts and advice in the future about how we can boost and promote that. We should look at that support and the incentives that exist for kinship carers, to ensure that kinship care is at least comparable with fostering and adoption. It is a better outcome; it is arguably the best outcome for most children to stay with somebody whom they know, who loves them and who wants to look after them. We should support and promote that, because it is better for children, better for families and better for the taxpayer as well. It should be at the top of our list, and I am sure it is at the top of the Minister’s list.

5.13 pm

David Simmonds (Ruislip, Northwood and Pinner) (Con): It is a pleasure to serve under your chairmanship, Ms Fovargue. I congratulate my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) on securing this debate.

It is very striking, when we look at the care system in England, that the earlier a child goes into care and the longer they stay, the better their outcomes are. We also know that the cost of failure is enormously high. On average, a local authority spends in excess of £55,000 per year to support a looked-after child; for a child with a significant level of care needs, it is on average over £130,000 per year. When the local authority takes that very difficult decision to go to court to safeguard a child’s interests, it seems absolutely critical that planning and seeking the best available option for that child are an early part of the work that is done.

As my hon. Friend the Member for Mansfield (Ben Bradley) described, a kinship care placement can be the very best option for any child, for a whole host of reasons. My ask of the Minister is to look at how local authorities can, in that initial decision-making process, when a child first comes into the care system very early in life, think about how to plan effectively. They need to be able to explore kinship care options alongside other things that may need to be considered as part of safeguarding, so that we can ensure children are placed in a safe and familial environment.

The concept of kinship care seems to have grown very much in the last two decades. That has arisen partly from a recognition that box-ticking does not ensure a quality experience for a child. We have seen Governments of all stripes seeking to improve the quality of children’s experience in care. The key thing that emerges from the feedback of children who have been through that system—as well as from relatives, social workers and

[David Simmonds]

professionals—is that always having a stable, enduring and loving relationship is the most important thing if a child is to thrive. We can have foster carers who are incredibly well trained and social workers who are immensely highly qualified, but if each of those is dipping in and out of a child's life, that simply is not going to bring about the quality of outcome that a loving grandparent, aunt, uncle or other family member could provide.

Katherine Fletcher (South Ribble) (Con): I want to develop that point slightly. There are long-term, systemic issues that might arise for any new kinship carer, although there may just be a nasty shock. Does my hon. Friend agree that my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom)—whom I commend for securing this debate—is right to highlight the role that employers can play, in advance of legislation or local authority care, to support family members coping with that shock event, as well as with some of the long-term structural needs that Members have spoken about?

David Simmonds: My hon. Friend makes an important point, which I was going to develop next. We need to look at the practicalities and logistics of making kinship care a much more effective system and to address some of the challenges described by the hon. Member for Denton and Reddish (Andrew Gwynne).

The support of employers is clearly vital for family members to be able to take on that caring responsibility. Entitlements that exist in law for adoption and parenting are often very difficult to access for a whole host of reasons, which is something that needs to be explored. We need to consider the issue of finance and what it means to a family taking on a child with potentially very expensive needs that have to be met, when they themselves might not be in a position financially to do that directly. We need to recognise that this process saves the local authority potentially significant costs that would be incurred through a foster or residential placement, which is also an incentive to look at the way we provide support. The manifest benefits of kinship care placements, such as the sense of stability a child experiences being with a family member instead of with strangers at that stage in their life, are critical.

Yesterday, I went to the Hillingdon Hospitals NHS Foundation Trust to visit an acquaintance of mine, Dr Jidefor Menakaya, who is a leading national expert on care of neonatal children. It was an opportunity to see how Hillingdon Hospital is working with a local authority, through a family hub model, to develop a package of different kinds of support to address the care needs of children with significant medical challenges. Some children going through the care system have suffered disruption and may have health problems arising from what happened to them before birth. It is striking that when children are in an environment with supportive and loving family members around them, it is much more straightforward to address those medical and health challenges. I know that Members present have often spoken about that, and seeing it in action is fantastic. Recognising how the placement of a child with a kinship carer can make a real difference to

addressing significant medical needs right at the start of life is a good example of why this care is so important.

To conclude, it is important to recognise that a degree of moral hazard is perceived in the wider public debate. Having been in local authorities and seen kinship care developing as an option that is often explored, I am certainly aware that people ask why we would pay family members to care for a child who is a member of their own family, especially when, historically, many people would do that voluntarily. We need to recognise that, as a country, we have high expectations of the experience that children will have. In order to make sure that the outcomes we want are achieved, we need to make sure we have system that supports children. Alongside adoption, fostering and special guardianship orders, the kinship care model is an excellent way of managing the risks to a child, ensuring a nurturing environment and doing so in a way that is good value and efficient for taxpayers.

5.20 pm

Lee Anderson (Ashfield) (Con): It is a pleasure to serve under your chairmanship, Ms Fovargue. I thank my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) for securing this debate; I am extremely happy that she has because the subject needs debating.

Ashfield, which I represent, has the most looked-after children in Nottinghamshire. That is not a statistic I am proud of, and it is going to get worse. I work with my hon. Friend the Member for Mansfield (Ben Bradley) to make sure that we give our young people the very best chances in life.

I have some experience of working with young people who have been through the care system. Before I came to this place, I worked for several homelessness charities in Nottinghamshire. The children who came to us at 16 had been in the care system since they were babies—they had been pushed from pillar to post through it. I saw them first-hand; they would come in at 16 years old and we would try to get them on the right path.

For two years, we would spend tens of thousands of pounds on these young people who, as I say, had been pushed from pillar to post and had a very poor start in life. They had not had that loving relationship. To be honest, the girls who left at 18 or whatever age were pregnant, to get accommodation and to be able to sustain not a reasonable standard of living, but a standard of living. If they had a child, they would be bumped to the top of the housing list and get accommodation and all the benefits. What a waste of a young person's life that is! They had all their life chances taken away because they had been through the care system without the support and love of their family.

The young men I used to work with in the hostels would leave, and within months a lot of them were in prison because they had not knuckled down and had not been in those stable, loving relationships. They had been through the care system since they were babies and that was all they knew. At 16, they were selling 10-bags on the corner of the street just to make a few quid. They had no idea how to look forward to a career. They had no real role models in their life; they had just been in and out of care.

Given the money spent on the care system, benefits and whatever else in later life, I have always said that it would be cheaper to put some of those children—I know this sounds a bit bonkers—into private education and give them the very best, so they could get the very best outcomes in life. That has to be much better, and it would break the poverty cycle. The young children I worked with were stuck in a poverty cycle; their parents were, and probably their grandparents before them. Hey presto—20-odd years and three generations later, the same young people are going to live the same sort of life as their parents. Unfortunately, I have seen first-hand that they have children, and a few months later those children are in care.

We are really missing a trick in this country. Our best asset is young people. We have a massive pool of young people, and we have let them down over decades. I speak from experience. I want to speak about a lady called Maxine in my constituency. Maxine is a little bit older than me—58, I think. I went to school with Maxine in Ashfield, back in the day. She is approaching 60 and looking forward to retirement but, unfortunately, her daughter is a heroin addict with all sorts of mental health problems.

Her daughter has three children, the youngest being six months old. Maxine had her daughter committed to an institution and took the children in, but the hoops she had to jump through to get the children into her house were incredible. Social services raked her out and poked into her private life from 35 years ago. Yes, she had made some mistakes in her past, but she was nothing more than a loving grandparent who did not want to see her grandchildren go into care. She wanted to provide a loving home.

Eventually, she came to me as an old friend and her Member of Parliament. I rattled a few cages and we got social services involved properly; we got some legal help for her, and I am glad to say she now has her grandchildren. I spoke to her on the phone today about this debate, she said she was very proud because the middle grandson can now read and write. He is seven. That brought a lump to my throat; I could write when I was five. She has taken it upon herself to give that young man a real start in life.

The biggest problem she had, once she got the children, was money. She said to me, “I could not cope with bringing my three grandchildren up properly without proper money.” Again, I had to get involved with the benefits system and sort her child benefit, child tax credit and everything out with the local authorities, who are under a lot of strain. I know they are because, as I said, Ashfield has the most looked-after children in the county.

Maxine is very happy now, but she is a woman, at nearly 60, who has given up her retirement after working all her life, done the decent thing and given up those final years to bring up her grandchildren. I think that is an incredible thing—and the hon. Member for Denton and Reddish (Andrew Gwynne) should be incredibly proud of what he did, because it is amazing.

Children need a loving home; they need to be with their parents or their family. We must remove some of the barriers to that, and the biggest barrier is financial. I hope that the Minister will look at this and see how we can move forward on it, because there are thousands of Maxines around the country who want to help their

grandchildren but simply cannot afford to, so those children end up with a life in care instead.

The last time I saw Maxine was late last year; she was taking her grandchildren to Skegness. I think it was probably the first time they had been on a holiday. I went around to give them some ice cream money, because I thought that would be a nice treat for them. They were so happy and excited that they were going to Skegness for a week in a caravan. They would not have got that before, with their mother, because obviously she had her health problems. I thought, “You know what? She’s done really well, Maxine has.”

As politicians, if we cannot make it easier for people like Maxine, up and down the country, to look after those children, then we are failing society. I hope the Minister and the Government will look at this issue very seriously, and realise that young people are our best asset, and that it is actually cheaper, in the long run, to pay family members, such as grandparents, to give those children a loving home.

5.27 pm

Kirsty Blackman (Aberdeen North) (SNP): Thank you very much for chairing this debate, Ms Fovargue. I give massive thanks to the right hon. Member for South Northamptonshire (Dame Andrea Leadsom), who I know has worked in this area, particularly on improving the life chances for babies, for a significant time, and has done a massive power of work on it. I am glad that she has brought this debate today and given us the opportunity to speak about it.

I particularly recognise the speech given by the hon. Member for Denton and Reddish (Andrew Gwynne). It was a brave speech to give, but not an easy one. Nothing compares to lived experience in these debates. We are so often talking about things that an awful lot of us do not know enough about, so it is hugely important to have that experience. I thank him very much for bringing that to us.

I wanted to make a few comments, particularly from the Scottish point of view. I do not know very much about how the care system works in England, and may use terms that are Scottish-specific, and are not as relevant in England. I begin by apologising for that.

First, kinship care is absolutely not just about grandparents. It is important to recognise that. As the right hon. Member for South Northamptonshire said about the family that she talked about, it was not the grandparents who were caring for the baby. Some of the people who have come to me in my constituency, who have been involved in kinship care, are concerned that everything that relates to it is set up expecting the kinship carers to be grandparents.

Sometimes it is some of those younger kinship carers, who are in work, who are struggling to get the understanding, rather than the people on pensions, for whom there are more systems in place. In one of the families that I spoke to, the adults looking after the children went along to a meeting and everybody was 30 years older than them. They felt, “Well, we’re not going to get very good help, assistance and support from our peers here, because these people don’t seem to be our peers.” There was a gap there; they felt that something was missing.

[Kirsty Blackman]

Throughout Scotland, kinship carers get the same allowance as foster carers. That is important, because we are recognising the importance of kinship care. Unfortunately, my understanding is that kinship carers are not entitled to the child element of universal credit if the child is a looked-after child. Clearly, that needs to change.

There needs to be a recognition that although the children—babies, in the case we are talking about—are looked-after children, in a lot of cases the kinship carers are going through a significant number of difficult legal processes, as well as financial expense. Those carers probably did not plan or arrange their lives for this to happen. I do not see why the child element of universal credit should be excluded just because the children have the title “looked-after children”. We have to remember that for some people involved in kinship care, the children are not classed as looked-after children, so they are in a different category.

In Scotland, people who are kinship carers of babies can get the baby box. Provided that the baby is under six months old, a family involved in a kinship-care relationship can ask their social worker to ensure that the baby box is delivered. They can get that box if the child is under six months old. That is important in levelling the playing field and ensuring that everyone gets the universal entitlement that there is in Scotland, whether or not the baby is with the birth parents or in a kinship-care arrangement.

In Scotland, children are also eligible for the best start grants, for the Scottish child payment and for the twos provision—the provision in nurseries for children under three years old. They are eligible if the young person is a looked-after child, subject to a kinship care order or something related to that.

In Scotland, we have given huge attention to ensuring that looked-after children get the best possible outcomes. The situation brought up by the hon. Member for Ashfield (Lee Anderson) is an illustration of how much the system has absolutely failed if that is the outcome he has seen for the young people he worked with. In Scotland, we have made a promise to young people that we plan to keep: by 2030, all those young people involved in the care system will not be faced with a care system, but will be raised with love and compassion, which is what every young person should be raised with.

Whether children are raised with either or both of their birth parents, in foster care, in placements or in kinship care, or if they have a looked-after order in place, surely what we should want for all of them is that they should be raised with love and compassion. It is incredibly important to ensure that that is front and centre.

Previously, I was the looked-after children’s champion in my local authority, when I was a councillor. The issue is therefore pretty close to my heart. We need to do a significant amount more. In talking about the benefits of kinship care, there is the comparison with the other elements of the care system. It is important to have those other elements, but it is clear that some of them have comparatively very poor outcomes for children. For example, young people in out-of-authority placements have significant problems, which make it much more difficult for them to achieve their potential in life.

Kinship care is one of the elements that results in the best outcomes for young people.

Why should kinship carers get paid? That was mentioned earlier. They should get paid because what has happened is not what they planned for. The system is difficult, which is necessary—I understand why: some sort of legal system needs to be in place around how kinship care works. But navigating that system, when people did not expect to have to navigate it, is expensive and difficult. We owe the people who choose to be kinship carers or foster carers looking after young people who are in corporate care. We owe them, and therefore we need to do better than we are currently doing.

5.34 pm

Helen Hayes (Dulwich and West Norwood) (Lab): It is a pleasure to serve under your chairmanship, Mr Mundell. I congratulate the right hon. Member for South Northamptonshire (Dame Andrea Leadsom) on securing this important debate.

I put on the record that, until recently, I was an officer of the all-party parliamentary group on kinship care, chaired by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne). In the work of that group, I met kinship carers regularly, and I was involved in the parliamentary taskforce on kinship care, which made recommendations on the additional support that should be provided to kinship carers.

I am really grateful to all right hon. and hon. Members who have contributed to today’s debate, but I pay particular tribute to my hon. Friend the Member for Denton and Reddish, who spoke so powerfully about his experience of caring for his grandson Lyle. He discussed the legal labyrinth that kinship carers face and the postcode lottery of support that applies across the country, but he also spoke movingly about the unconditional nature of love that characterises kinship care, and how lucky he is to be able to look after Lyle. I think we would all agree that Lyle is also very lucky to have such a lovely granddad.

Other right hon. and hon. Members have highlighted the time commitments entailed in kinship care; the disparity in entitlement to paid leave between new parents, whether by birth or adoption, and kinship carers; the disparity of access to free childcare affecting kinship carers; the importance of consistency in care and attachment for children in the care system, and how successions of people dropping in and out of a child’s life can compound the original trauma that led to them being in the care system in the first place; and about the negative consequences and costs to individuals and to society of failing to look after children in the care system properly.

I pay tribute to kinship carers across the country who care for babies and children when relatives or close friends are unable to do so. I think every one of us would find the idea of a cherished niece, nephew, grandchild or close friend being taken into care and looked after by strangers, however loving and capable, almost unbearable, particularly since such circumstances almost always result from a tragedy; addiction, domestic abuse or serious mental or physical ill health may have befallen the child’s birth parents. The 180,000 families across the country who have stepped in to care for the children of a family member or close friend know of the enormous personal sacrifice and considerable extra cost involved.

I also pay tribute to the Family Rights Group, Kinship and the Kinship Care Alliance for the work they do to support kinship carers, and also St Michael's Fellowship, a very special organisation based in my constituency that provides support to very young parents specifically with the aim of reducing the risk of the need for care proceedings.

We know that the number of babies subject to care proceedings is increasing rapidly, from more than 2,400 in 2012-13 to more than 2,900 in 2019-20. Before we look at the support that is needed for kinship carers, it is important to ask why this increase is happening. The Family Rights Group has highlighted the erosion in early help and support for vulnerable women during pregnancy and immediately after childbirth. More than 1,000 Sure Start centres have closed since 2010, and the Government have so far committed to open family hubs in just 75 locations across the country. The National Children's Bureau estimates that Government funding available to councils for children's services fell by 24% between 2010-11 and 2019-20, from £9.9 billion to £7.5 billion in real terms, and the impact of the pandemic is likely to have made it even harder for councils to offer early intervention for families. There is a direct link: if support that could be given to vulnerable women who are pregnant is not being provided, the risk that their babies end up being subject to care proceedings will increase.

We know that domestic abuse is a common reason for the removal of children from their parents, yet too often mothers who have experienced domestic abuse feel that they are punished further by a child welfare system that blames them for failing to protect their child while not holding the perpetrator of their abuse to account. The failures of the Government to ensure that early help is always available to the most vulnerable families, wherever they live in the country, has a direct bearing on the increase in the number of babies who are subject to care proceedings.

It is also very concerning that when babies are subject to care proceedings, short-notice hearings are now the norm, with 86.3% of cases involving babies in 2019-20 being heard at short notice, and one in every six cases involving a newborn baby heard on the very same day. Clearly, there are emergencies in which the safety of the baby demands that immediate action is taken, but we must discuss why emergency hearings are becoming the norm rather than the exception, and understand in how many cases involving short-notice hearings there were missed opportunities to identify risks, offer support to parents, or explore kinship care options earlier. Short-notice hearings allow no time for families to prepare, to decide whether and how they can take on the care of a baby, or to ensure they are properly represented and that there are good channels of communication with children's social services.

Since we know that kinship care delivers better outcomes for children than many other forms of non-parental care, a system that routinely fails to ensure that kinship options for care of a baby are properly explored surely lets down babies and their families. Kinship estimates that for every 1,000 children who are removed from local authorities and put into kinship care, £40 million is saved in placement costs.

The Family Rights Group introduced family group conferences to the UK from Australia in the 1990s. They

bring together a child's family and other adults who are important to the child, to create a plan for the child that addresses concerns. They can result in support being provided to parents, which removes the need for care proceedings, or they can explore care options within the wider family.

Kinship care delivers better outcomes for children and their families and saves the Government millions of pounds each year, but many studies have acknowledged that kinship carers are not well supported. That creates perverse incentives and often unbearable hardships and strain for families who want to do the right thing for the children they love.

David Mundell (in the Chair): Order. Ms Hayes, can you bring your remarks to a close? I am keen to ensure that the Minister has enough time to respond.

Helen Hayes: I will finish by saying that there is an urgent need for the Government to look comprehensively at the framework of support that is offered to kinship carers in order to enable more families to take on the care and support of a child whom they love.

David Mundell (in the Chair): I call the Minister, but I want to ensure that Dame Andrea has the opportunity to respond.

5.41 pm

The Parliamentary Under-Secretary of State for Education (Will Quince): I will be as brief as I can, Mr Mundell. Time is short, and there are so many comments to respond to. Let me first thank my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) for securing this important debate and for all of her work on "The Best Start for Life" and her commitment to families, babies and children.

My right hon. Friend rightly said that parents and families come in all shapes and sizes. She is absolutely right, and we should celebrate every single one. She is right to raise the important role of kinship care, particularly in the context of babies. She raised her constituent's case, and I would like to apologise for the experience that her constituent had. I assure her that I am very much alive to the experiences her constituent had. The Government are committed to ensuring that kinship carers receive the necessary support to give their children the support they need.

My right hon. Friend rightly mentions that there are many reasons why babies and older children can no longer live with their birth parents. In many cases, the reasons are sad or tragic. In others, it is for their own protection. I am full of admiration for kinship carers. The hon. Member for Denton and Reddish (Andrew Gwynne) eloquently and articulately set out the role of kinship carers and the love and affection that he has for baby Lyle—though he is not so much a baby now.

It is not just grandparents who step up to offer loving homes; it is aunts, uncles and siblings. They often make considerable sacrifices, as was set out by my hon. Friend the Member for Ashfield (Lee Anderson), who mentioned his friend and constituent Maxine. Last year I met a support group for kinship carers, and they set out some of the challenges they experienced as kinship carers. They are all heroes and we must do more as a Government to support them. I will come on to what I want to do in this area and how I believe we can better support

[Will Quince]

kinship carers and special guardians. I will not talk in very much detail, as I do not have much time, but I am happy to do so at a later date.

It is clear that there are benefits to children remaining with the wider family wherever it is possible and safe to do so and when it is with someone they know and trust. It is about a sense of belonging and maintaining family links. It is about the people and places they know. It is about permanence and the potential for future reunification. As the hon. Member for Denton and Reddish rightly pointed out, fundamentally it is about love.

I was fast scribbling down points raised during the debate. My right hon. Friend rightly raised—I was fast scribbling these down while she did so—access to support, access to financial support, carers leave, parental leave, employment rights, support groups and advocacy. I would love to touch on every single one of those issues, but I fear I am not going to be able to do so in the time left available to me.

Access to support, both financial and otherwise, is critical. We rightly give a lot of autonomy to local authorities, but is always about striking a balance. Yes, there is a bit of a postcode lottery, but at the same time it is about balancing local discretion and the autonomy of local authorities to make the right decision, because they are the ones that best know their residents. It is about addressing the inconsistency and patchy provision of support at a local level while at the same time making sure that the support that is available is tailored to the individual needs of the kinship carers. The support that Maxine may have needed could have been very different from the support that the hon. Member for Denton and Reddish and Allison need, so having local discretion is also very important.

We know that the financial impact of kinship care can be considerable, especially if it is unplanned. There is statutory guidance, and it is clear that local authorities should consider financial help for kinship carers, but as my hon. Friends the Members for Mansfield (Ben Bradley) and for Ruislip, Northwood and Pinner (David Simmonds) set out, it is patchy and the cost of failure in children's social care is high in terms of both the outcomes for children and the financial cost to the local authority.

There is so much that I would love to say, but I am very much alive to some of the other pressures that kinship carers can face—whether it is employment rights, housing, benefits, HMRC, universal credit or child benefit. I see my role as a cross-Government one, and although I do not have all the levers to pull, it is part of my role to ensure that other Government Departments are playing their part and ensuring better support for kinship carers.

In the minute or so I have left, I want to say how sympathetic I am to the points made by my right hon. Friend the Member for South Northamptonshire on the apparent disparity between the support offered to foster parents and adopters versus kinship carers. It is complex and there are considerable challenges—not least because most kinship care arrangements are informal and familial, which makes it challenging—but I want to explore what more we can do. I look forward to working

with my right hon. Friend and others from across the House to improve the service and support that we are able to offer.

I would like to put on the record my sincere thanks to my right hon. Friend for securing this important debate, and I want to reiterate my commitment, and that of the Department, to champion across Government the needs of kinship carers. I assure my right hon. Friend, and indeed the House, that I am committed to ensuring that those who step up to take a baby or child into their care receive the support that they need to give that baby or child the best possible start in life. As I say, if I had more time, I would love to answer every single point in detail, but I look forward to working with my right hon. Friend and others from across the House, as well as with charities in this sphere, to improve the support and provision for families.

David Mundell (in the Chair): I call Dame Andrea Leadsom to wind up the debate by 17.49.

5.47 pm

Dame Andrea Leadsom: Thank you, Mr Mundell. I pay tribute to my hon. Friend the Minister, who is incredibly supportive of the work on early years and who has done so much to support improving services for babies. It has been such a fantastic debate, and we have heard two fabulous stories. We heard about the hon. Member for Denton and Reddish (Andrew Gwynne), his partner Allison and baby Lyle. They do fantastic work, and I pay tribute to the hon. Member—it is all about love. We also heard about Maxine and the incredible sacrifice that she made to raise three of her grandchildren.

Those are the things that people do, and it is about love. It is about trying to make sure that, in raising the next generation, we give them the capacity to have fulfilled and happy lives. We absolutely know that the best way to do that is in the bosom of the family, so we need to support the family network. I would like to leave this debate with the thought that the best place to do that is in the perinatal period. That is when the building blocks for emotional good health are laid down, so the earlier we do that, the better. It is vital to give kinship carers and other carers maternity and paternity rights in that early period. If we can get employers to recognise that kinship care is the best solution and much better than any other looked-after or adopted solution outside the bosom of the family, we should always start with that. We should always put the baby and child at the centre of everything we do, look at it through their eyes, and give the best solution for them.

David Mundell (in the Chair): I congratulate the right hon. Lady on her immaculate timing.

Question put and agreed to.

Resolved,

That this House has considered kinship care for babies.

5.49 pm

Sitting adjourned.

Written Statements

Tuesday 22 February 2022

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

International Development Association: 20th Replenishment

The Secretary of State for Foreign, Commonwealth and Development Affairs (Elizabeth Truss): The UK will shortly publish its international development strategy and the FCDO will publish its overseas development assistance (ODA) allocations, which will promote British expertise and bring more countries into the orbit of free, democratic nations and ultimately benefit the British people.

As part of this, we are rebalancing the aid budget towards bilateral programmes to give the UK greater control and flexibility over how taxpayers' money is spent.

In December 2021, the UK pledged £1,414 million to the 20th replenishment of the World Bank's International Development Association (IDA20). This funding will support covid-19 vaccines, tackle climate change, get girls back into school and promote women's economic empowerment.

The UK will be the third largest donor to IDA20, after the US and Japan, and our pledge will bring us more in line with our share of our global ODA.

Our IDA20 pledge is a reduction of 54% compared to our previous pledge to the 19th replenishment. This will allow us to focus funding on UK bilateral programmes and control how exactly taxpayers' money is used to support our priorities, including clean infrastructure investment, promoting British expertise, supporting women and girls, and delivering humanitarian aid.

Thanks to the UK's engagement in the IDA20 negotiations, the World Bank has committed to:

- provide health services to over 285 million people;
- lose learning gaps and improve learning outcomes for girls in 20 IDA countries;
- support IDA countries to contain the covid-19 pandemic through vaccine roll-out, preventive measures, testing, treatment and care;
- ensure that at least 35% of IDA financing tackles climate change; fully align World Bank IDA operations with the Paris agreement by 2023;
- support women's empowerment by expanding access to affordable sexual and reproductive, adolescent and maternal health services in at least 30 IDA countries;
- support all IDA countries to strengthen preparedness for future crises; and
- mobilise private sector investment to create jobs in IDA countries.

We will continue to push for multilateral reform, building alliances with like-minded partners and improving value for money.

Consistent with the International Development Act 2002, and before any financial contributions are made, the Government will lay statutory orders relating to the IDA20 replenishment for the consent of the House of Commons.

[HCWS617]

EU-UK Withdrawal Agreement Joint Committee

The Secretary of State for Foreign, Commonwealth and Development Affairs (Elizabeth Truss): The Withdrawal Agreement Joint Committee met yesterday in Brussels. I co-chaired the meeting alongside European Commission Vice-President, Maroš Šefčovič. A joint statement was agreed and published on gov.uk.

The Committee received an update on the work of the Withdrawal Agreement Specialised Committees since the last meeting on 9 June. They also discussed citizens' rights and progress on negotiations to find practical solutions to the problems with the Northern Ireland protocol.

On citizens' rights, both parties noted the continued constructive collaboration to ensure that the rights of our respective nationals are protected. The UK urged the EU to ensure consistent support for all UK nationals living in the EU, with a focus on three areas of concern: first, UK nationals in member states having difficulties accessing their rights because of requests for permits which are not required; secondly, member states requesting information of UK nationals which is not required under the withdrawal agreement in order to secure their status; and thirdly, a lack of safeguards and clarity on appeals where residence is not granted. The EU raised its concerns with aspects of the UK's EU settlement scheme, focused on the legal base for guarantee of rights and the need for those with pre-settled status to apply for settled status at the point of qualification. The UK made clear there is no legal uncertainty for EU citizens in the UK.

In relation to the Northern Ireland protocol, both parties emphasised that they shared an overriding commitment to protect the Belfast/Good Friday agreement in all its dimensions. The UK outlined the problems the protocol posed for trade within the UK internal market and Northern Ireland's integral place in the United Kingdom, which was putting at risk the delicate balance essential to that agreement and political stability in Northern Ireland. This underlined the increased urgency of finding solutions. Both sides reiterated the importance of further engagement, including with the Northern Ireland Assembly and Executive, and wider Northern Ireland civic society and business.

The UK and EU also discussed activity in the Withdrawal Agreement Specialised Committees since the previous Withdrawal Agreement Joint Committee on 9 June 2021, and agreed to adopt two technical decisions:

Decision No. [1]/2022 amending the agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community—principally covering data sharing linked to social security co-ordination.

Decision No. [2]/2022 amending decision No. 7/2020 establishing a list of 25 persons who are willing and able to serve as members of an arbitration panel under the agreement—to reflect a change on the EU side.

[HCWS620]

HEALTH AND SOCIAL CARE

Healthcare Payments to the EEA and Switzerland

The Minister for Health (Edward Argar):

First Annual Report on International Healthcare Payments under the Healthcare (European Economic Area and Switzerland Arrangements) Act 2019

I have today laid before Parliament the first annual report on international healthcare payments pursuant to section 6 of the Healthcare (European Economic Area and Switzerland Arrangements) Act 2019.

The 2019 Act was enacted as a result of the UK's decision to leave the EU. It provided the legislative means to respond to a wide range of possible outcomes of the UK's exit from the EU in relation to reciprocal healthcare, including the implementation of new reciprocal healthcare agreements with a European economic area (EEA) state, Switzerland or an international organisation.

The 2019 Act implements the social security co-ordination protocol to the UK-EU trade and co-operation agreement. That agreement ensures UK residents continue to benefit from reciprocal healthcare arrangements, including covering necessary healthcare when travelling to Europe (previously known as the EHIC scheme, now the GHIC scheme). Planned healthcare arrangements have also continued after EU exit (known as the S2 scheme); and eligible pensioners, frontier workers and certain other groups can have their healthcare costs covered when they move to the EU (known as S1 scheme). Under the 2019 Act, the UK has also implemented the various separation agreements with the European economic area and Switzerland.

Building on the successful continuation of EU reciprocal healthcare agreements, the Government now wish to negotiate further agreements with other states to bring greater benefits for UK nationals. The Health and Care Bill includes amendments to the 2019 Act which will enable us to implement comprehensive healthcare agreements with countries outside the EEA and Switzerland.

This report covers payments made under the powers conferred by the 2019 Act between the end of the transition period on 31 December 2020 and 31 March 2021. During this period only one payment was made under the 2019 Act payment powers for discretionary planned treatment. Other payments made to the EEA and Switzerland during this period were for healthcare incurred prior to the end of the transition period. These payments are reimbursable as a matter of EU law and not therefore paid pursuant to the 2019 Act. Member states are now in the process of submitting claims which

have been paid under the 2019 Act, details of which will be provided in the second report which will be published after the end of March 2022.

[HCWS619]

JUSTICE

UK National Preventive Mechanism: Annual Report

The Minister of State, Ministry of Justice (Victoria Atkins): The United Nations optional protocol to the convention against torture and other cruel, inhuman or degrading treatment or punishment, which the UK ratified in December 2003, requires states parties to establish a national preventive mechanism (NPM) to carry out visits to places of detention to prevent torture and other cruel, inhuman or degrading treatment or punishment.

The Government established the UK NPM in March 2009 (*Official Report*, 31 March 2009; Vol. 490, c. 56WS). The UK NPM is currently composed of 21 scrutiny bodies covering the whole of the UK.

Following previous practice, I present to Parliament the 12th NPM's annual report (Command Paper 607). This report covers the period from 23 March 2020 to 1 April 2021.

I commend the important work that the NPM has carried out over the year and the NPM's independent role in safeguarding the human rights of detainees across the UK and its role in preventing torture and inhuman and degrading treatment. The Government take allegations of torture and cruel, inhuman or degrading treatment very seriously and any allegations are investigated fully. The Government do not participate in, solicit, encourage or condone the use of torture for any purpose.

The NPM's report focuses on the ongoing impact of the covid-19 pandemic for those in detention settings. The report notes the actions taken by detention authorities in response to the pandemic which averted the serious risk of large numbers of infections among people in detention, but that these had impacts on key issues such as the time out of cell, education provision and visits.

I am grateful for the work the NPM and its members have continued to undertake during the pandemic and the findings set out in its report. The Government are committed to ensuring that those in detention in the UK are treated with respect and care.

[HCWS618]

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