

**Tuesday  
17 May 2022**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Tuesday 17 May 2022**

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# House of Commons

Tuesday 17 May 2022

The House met at half-past Eleven o'clock

## PRAYERS

[MR SPEAKER *in the Chair*]

## BUSINESS BEFORE QUESTIONS

### NEW WRIT

*Ordered,*

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in the present Parliament for the County constituency of Wakefield, in the room of Imran Nasir Ahmad Khan, who, since his election to the said County constituency, has been appointed to the Office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke, Desborough and Burnham, in the county of Buckingham.—(*Chris Heaton-Harris.*)

### NEW WRIT

*Ordered,*

That Mr Speaker do issue my Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in the present Parliament for the County constituency of Tiverton and Honiton, in the room of Neil Quentin Gordon Parish, who since his election to the said County constituency, has been appointed to the Office of Steward and Bailiff of Her Majesty's Manor of Northstead in the County of York.—(*Chris Heaton-Harris.*)

## Speaker's Statement

11.36 am

**Mr Speaker:** I have a short statement to make. I would like to draw Members' attention to the fact that the book for entering the private Members' Bill ballot is now open. It will be open today and tomorrow. The book will be available for Members to sign in the No Lobby from 11.30 am until the rise of the House on both days, except during Divisions. The ballot itself will be drawn at 9 am this Thursday in Committee Room 15. An announcement setting out these and other arrangements, and the dates when ten-minute rule motions can be made and presentation of Bills introduced, is published in the Order Paper.

## Oral Answers to Questions

### TREASURY

*The Chancellor of the Exchequer was asked—*

#### Levelling Up Across the UK

1. **Felicity Buchan** (Kensington) (Con): What steps his Department is taking to encourage levelling up across the UK. [900050]
2. **Ben Bradley** (Mansfield) (Con): What steps his Department is taking to encourage levelling up across the UK. [900051]

18. **Andrew Bridgen** (North West Leicestershire) (Con): What fiscal steps his Department is taking to encourage regional growth across the UK. [900067]

24. **Julie Marson** (Hertford and Stortford) (Con): What steps his Department is taking to encourage levelling up across the UK. [900074]

**The Chief Secretary to the Treasury (Mr Simon Clarke):** The levelling-up White Paper sets out a clear plan to level up every corner of the United Kingdom, including a mission to increase productivity and improve living standards in every part of the UK by 2030. We will do this through the record funding allocated in the 2021 spending review, including £1.6 billion for the next generation of the British Business Bank's regional investment funds. That sits alongside significant investment in communities through the £4.8 billion levelling-up fund, and giving local areas a greater say in investment, working in partnership with the Government through the £2.6 billion UK shared prosperity fund.

**Felicity Buchan:** Parts of our inner cities suffer deprivation, including in my constituency in north Kensington. Does my right hon. Friend agree that levelling up is about bringing forward all our left-behind communities, whether inner cities, coastal communities or the north, and, I add rather cheekily, will he support my levelling-up fund bid for step-free access to Ladbroke Grove tube station?

**Mr Clarke:** I thank my hon. Friend for her question; she is an outstanding champion for Kensington and, as she rightly says, it is not the case, as is sometimes portrayed, that the levelling-up fund does not have real importance for London and the south-east because, as we know, there are pockets of deprivation across this country and it is vital that we address them. Over £200 million was allocated in the first round of the levelling-up fund for London and the south-east, and clearly my hon. Friend's council may wish to consider making a bid for the fund's next iteration when that opens.

**Ben Bradley:** The east midlands has consistently been at the bottom of the charts for public and private sector investment. The Prime Minister has made it clear that he sees devolution as a key mechanism to level up, so the east midlands must surely be at the heart of that agenda. We are negotiating with the Government now in Derbyshire and Nottinghamshire, but will my right hon. Friend give me an assurance that these will not be second-class deals and the east midlands deals will have the same finance and clout as previous deals have had?

**Mr Clarke:** I really enjoyed my recent visit to Nottinghamshire to meet my hon. Friend and his colleagues. We are clear that devolution sits at the heart of our levelling-up mission and we have said that every part of England that wants a devolution deal can have one by 2030. We want those deals to have a sensible geography, and the strongest and most accountable leadership possible, and I am really encouraged that leaders in Derby, Derbyshire, Nottingham and Nottinghamshire—including, of course, my hon. Friend—have brought together a really exciting package of proposals. We look forward to coming to them in due course.

**Andrew Bridgen:** In recent years, the west midlands has economically outperformed the east midlands—apart from, of course, my constituency of North West Leicestershire. To what extent does my right hon. Friend believe that is due to the west midlands benefiting from its mayoralty structure? What help can the Treasury give to the east midlands to ensure that we level up with our neighbour?

**Mr Clarke:** I pay great tribute to the work that Andy Street has done as Mayor of the West Midlands to drive economic outperformance. I am a convinced believer in the merits of mayoral devolution, which is the best way of ensuring that levelling up is delivered at the fastest possible pace on the ground. I look forward to looking at proposals from the east midlands to ensure that we can unlock as much opportunity there as possible.

**Julie Marson:** Hertford and Stortford lies at the heart of the London-Stansted-Cambridge innovation corridor, which is key to helping my constituency and our region address its pockets of deprivation. Will my right hon. Friend outline how his Department is working to attract more innovation-based businesses, particularly in life sciences, to the area?

**Mr Clarke:** I share my hon. Friend's passion for the UK's world-leading life sciences sector. That is why we have invested £5 billion in health research and development, including for delivery of our life sciences vision, as well as £60 million for the life sciences innovative manufacturing fund and £200 million in the life sciences investment programme, all of which institutions in Hertfordshire can benefit from.

**Gareth Thomas (Harrow West) (Lab/Co-op):** I am sure that the Chief Secretary will agree that, for levelling up to work well, there is a need for more jobs linked to exports to be created across the UK. With export growth in the UK lagging behind that of every other rich nation, why did he and his colleagues sign off cuts in funding to the North East England chamber of commerce to promote exports from that region?

**Mr Clarke:** I agree that a flourishing export sector is vital. That is, of course, why we are so pleased to be delivering innovative policies in the north-east such as a freeport on Teesside, which is a great example of how we will bolster the export strengths that exist for our current and future employers. We clearly want to work closely with all partners, including the chambers of commerce, who do an excellent job, but it is absolutely not just about measures in grants to any individual institution. Our ambition is to create a high-growth, high-wage economy, and exports sit at the centre of that. Our actions speak loudly about our total commitment to that.

**Catherine McKinnell (Newcastle upon Tyne North) (Lab):** The Government said they would prioritise closing the gap in pay, employment and productivity, yet since the Prime Minister took office average monthly earnings in every single north-east constituency have fallen even further behind those in London. Can the Government see that telling families to learn how to cook and to work more hours while forcing cash-strapped local authorities to bid competitively for small pots of money

will not rebalance our economy? We need a much greater focus on creating and boosting jobs in those areas that really need them.

**Mr Clarke:** I know and obviously share the hon. Lady's passion for the north-east. The enormous success of our plan for jobs is something that we ought to be celebrating today. We have had the fantastic news that unemployment is at its lowest level since 1975, which is an enormous achievement and one that we should all be collectively delighted by. We face global inflationary pressures, which are a serious challenge not just for this country but the eurozone, America and, indeed, the entire developed world as we both recover from covid and handle the consequences of Russia's illegal invasion of Ukraine, and we are absolutely focused on rectifying that through a concerted programme of action. Obviously, we have put together a £22 billion package of support for households, and we will take future steps as the situation warrants.

**Imran Hussain (Bradford East) (Lab):** According to an independent analysis of the Government's own 12 metrics for measuring progress in levelling up, Bradford East is behind on almost every single one, with lower pay, productivity, Government spending, transport investment, school grades and life expectancy. I am perplexed by how the Minister can stand there and tell us that he is serious about levelling up when the Government refuse to do anything to level up places such as Bradford East.

**Mr Clarke:** The whole point is that that is precisely what we are not doing. We have created a West Midlands mayoralty which is channelling huge amounts of public money into supporting—*[Interruption.]* Sorry, the West Yorkshire mayoralty. The point stands. We have created a West Yorkshire mayoralty which is designed to drive forward growth and opportunity in that region. We have a whole programme of action, from the levelling-up fund and our wider commitments around jobs and growth, which the hon. Gentleman knows, as well as I do, will make a massive difference to the future of Bradford and the rest of West Yorkshire in the years ahead.

**Stephen Flynn (Aberdeen South) (SNP):** The UK Government's own website states that levelling up is a moral, social and economic programme right across Government, so can I ask the Minister where is the moral argument in people not being able to feed their kids? Where is the social argument in people not being able to heat their homes? And where on earth is the economic argument in people having no money in their pockets?

**Mr Clarke:** Levelling up is a social and moral mission. I believe very strongly that it is vital that we close the gap between the more successful parts of the UK and the rest. I represent a constituency that sits at the heart of that process. On the hon. Gentleman's point on the cost of living, we have put together a £22 billion package of support, including a £9 billion commitment specifically on energy bills, but we are absolutely clear that we do not solve an inflationary crisis by throwing money at the problem, as that could worsen the issue we are seeking to address. The Chancellor will keep all these issues under close review. *[Interruption.]* I can assure

the hon. Gentleman that he most certainly does. We will bring forward a programme of measures at such time that they will make the right difference in a targeted way, which, as I say, does not make worse the very problem that we all need to solve.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): Last week, Bloomberg published a report that showed that, on the Government's own chosen 12 measures of levelling up since the Prime Minister took office, most parts of the country are either falling even further behind London and the south-east or have made no progress, including every single constituency in the west midlands. That includes salaries, home affordability, inward investment, transport spending and levels of crime all going backwards. Why is levelling up so far failing to deliver?

**Mr Clarke:** The right hon. Gentleman raises the Bloomberg report. We have to recognise, when we look at this issue, that levelling up is a decades-long project for reversing things that are institutionally extremely challenging in terms of the striking geographical inequalities that have arisen under successive Governments and which this Government are determined to address. The levelling-up White Paper, published this spring, puts in place a framework for the Government to work directly with people and places to help address those disparities. We will be held to account with an annual report to monitor our progress. What I would say is that the people of the west midlands made their views very clear last year when they re-elected Andy Street as their Mayor, just as they made their views very clear on Teesside when they re-elected Ben Houchen. They can see progress. They are realistic—none of this is easy and none of this is going to be an instant turnaround—but they are clear that we have a plan to deliver it and they are behind that.

**Mr McFadden:** The Conservatives have been in office for 12 years; they were not elected last week. This is the self-declared central mission of the Government. Tackling regional inequality is a good aim. Communities like the one I represent in the Black Country made the last industrial revolution and they can make the next one too if they are given a platform on which to stand, but now, with the Bank of England Governor warning of apocalyptic rises in food prices and a further likely steep rise in energy bills in the autumn, what will the Government do to reverse the failures outlined in the damning report last week, and bridge the grand canyon between the Prime Minister's rhetoric on these things and the reality on the ground?

**Mr Clarke:** The levelling-up White Paper is a comprehensive package of measures designed to ensure we can deliver on our ambitious aims in this place. The Queen's Speech, which we are debating this week, further demonstrates our commitment to making that a reality, including, notably, through the establishment in law of the UK infrastructure bank. It is clearly the case, as I say, that none of these problems are simple to address. We have to be honest on both sides of the House that both Labour and Conservative-led Governments have failed to narrow those disparities. We have a plan which I am confident will deliver meaningful change in short order and over the medium to long term make a transformative difference to communities.

### Cryptocurrency Companies in the UK

3. **Giles Watling** (Clacton) (Con): What steps he is taking to encourage cryptocurrency companies to operate in the UK. [900052]

**The Economic Secretary to the Treasury (John Glen):** At Fintech Week on 4 April, I set out our firm ambition to make Britain a global hub for cryptoasset technology, and I announced a number of actions that will support that. That includes committing to consult on a future regulatory regime for cryptoassets later this year; legislating to bring stablecoins into payments regulation; and exploring ways of enhancing the competitiveness of the UK tax system to encourage further development in this sphere.

**Giles Watling:** I thank my hon. Friend for his answer. Will he commit to working with the cryptocurrency sector and the UK Cryptoasset Business Council to make sure that the UK's future regulatory parameter can instil a global advantage, ensuring that our economy remains ahead of the curve?

**John Glen:** Yes, absolutely, and my officials are meeting the Cryptoasset Business Council later this week. We want to take a dynamic approach to industry engagement. Lots of similar organisations have spawned over the last few months, and I and my officials will work very closely with them as we lead this global leadership aspiration.

**Mr Gregory Campbell** (East Londonderry) (DUP): The cryptocurrency market is expanding rapidly, but what are the Government doing to ensure that the wider public are aware of the wild swings that exist in the market? Yes, profits can be made, but so can significant losses, as the past few months have demonstrated.

**John Glen:** We watch these things very carefully. That is why, in January this year, we announced that certain cryptoassets will be brought within the scope of financial promotions regulation. I am very aware of the Financial Conduct Authority's advice, which shows that only one in 10 cryptoholders are aware that they can lose all their money. We need to get that number up.

### Tackling Economic Crime

4. **Kevin Hollinrake** (Thirsk and Malton) (Con): What steps his Department is taking to tackle economic crime. [900053]

**The Economic Secretary to the Treasury (John Glen):** Money obtained through corruption or criminality is not welcome in the UK. The Government are taking concerted action to combat that threat by investing £400 million over this spending review period, with the kleptocracy cell in the National Crime Agency targeting sanctions evasion and corrupt Russian assets hidden in the UK. The Government have taken far-reaching steps to improve corporate transparency, including through recent and forthcoming primary legislation announced in the Queen's Speech last week.

**Kevin Hollinrake:** I thank the Minister for that answer. NatWest and HSBC have been hit with big fines for facilitating money laundering, and Danske Bank will probably see a fine of £2 billion for £200 billion of money laundering. This is seen not as a deterrent, but as

a cost of doing business for these big banks. Does he agree that the only way that we will tackle this is through criminal prosecutions both at a corporate level and of senior managers? Does he support the calls to that effect in the economic crime manifesto by the all-party groups on fair business banking and on anti-corruption and responsible tax, and will he support such measures in the economic crime Bill?

**John Glen:** I thank my hon. Friend for his question. I think he is the House's foremost observer of banks' behaviour, but he also knows that this is an extremely complex area of law. The Government have asked the Law Commission to undertake an in-depth review of laws around corporate criminal liability for economic crime and to make recommendations. My understanding is that the Law Commission will make an announcement on this subject imminently, and we will look at that very carefully.

**Chris Elmore (Ogmore) (Lab):** One of the key complaints from any of my constituents who are victims of economic crime is about the inability to reach out to Action Fraud, and if they do, they get no response. I urge the Minister—plead with him, in fact—to reform the work of Action Fraud and perhaps even bring about a new body in any new legislation to ensure that constituents get some sort of answer and, importantly, some form of support from the authorities of the UK state.

**John Glen:** This is a criticism that I hear. I am very happy to meet the hon. Gentleman to discuss it further, examine the experience of his constituents and look at what we can do constructively to move things further in the right direction.

**Kelly Tolhurst (Rochester and Strood) (Con):** Following clarity from my hon. Friend to UK Finance on how banks should interpret the money laundering regulations, a number of banks continue to close existing pooled client accounts of long-established, reputable boat-broking businesses. That is now stopping those businesses trading. What further assurance can he give to banks regarding these low-risk businesses?

**John Glen:** I thank my hon. Friend for her question. As she will know from the letter that I sent her this morning and from our conversation with industry representatives together a few months ago, this is quite a challenging issue to resolve. I cannot direct the banks to open, and keep open, these accounts, but I will continue to engage with her and with UK Finance to see whether more progress can be made in the coming weeks.

**Tulip Siddiq (Hampstead and Kilburn) (Lab):** The Government have lost £4.3 billion of taxpayers' money through fraudulent covid schemes. Now we learn that a large chunk of that money is going into the hands of terrorists, organised crime gangs and drug dealers. Will the Minister reassure me that he is taking the reports seriously and update the House on the total number of investigations the Government are undertaking that relate to covid fraud?

**John Glen:** I can absolutely reassure the hon. Lady that the Government take the issue very seriously. That is why at previous fiscal events the Chancellor has invested £100 million in a taskforce to deal with it.

When we designed a number of the interventions, protecting taxpayers was a real consideration. It is also the case that we needed to act swiftly to assist those businesses and if we had not made some of those interventions at the time, many businesses would have gone under. We continue to engage carefully on the matter.

**Alison Thewliss (Glasgow Central) (SNP):** We on the SNP Benches welcome the economic crime and corporate transparency Bill, and given the scale of the problem that the Tories have presided over, it is long overdue. What discussions has the Minister had with colleagues in the Department for Business, Energy and Industrial Strategy about making Companies House an anti-money-laundering supervisor in its own right finally to lock out the fraudsters, the kleptocrats and their dirty money from Companies House once and for all?

**John Glen:** The hon. Lady is absolutely right to highlight Companies House reform as a major area that we are working on. The Government forwarded more than £60 million to start that work, which has now been accelerated. Alongside the register of overseas entities and beneficial ownership, the increased transparency of those assets will be very welcome.

#### Effects of High Marginal Deduction Rates

5. **John Penrose (Weston-super-Mare) (Con):** What assessment he has made of the effects of high marginal deduction rates on work incentives for people who are (a) key workers, (b) on below average incomes and (c) on above average incomes. [900054]

**The Financial Secretary to the Treasury (Lucy Frazer):** The Government are committed to helping people keep more of what they own and I give credit to my hon. Friend for his work, which was instrumental in our lowering of the universal credit taper rate from 63% to 55%. That is a tax cut for low-paid workers on universal credit. He will know that from July we will raise the national insurance contributions threshold so that the amount that working people will be able to earn tax-free will increase by £2,690, helping to ensure that work pays.

**John Penrose:** I thank my right hon. and learned Friend for her kind comments. The changes that she has just re-announced are extremely welcome. With energy and food prices continuing to spiral, does the Treasury team accept that they will soon have to go even further? Do they agree that compared with increasing benefits, further cuts in these combined tax and benefits withdrawal rates will be a better way to put money in the pockets of many lower-paid families and that in future, the combined rates paid by less well-off families should never be higher than the top rates paid by the rich?

**Lucy Frazer:** My hon. Friend has a keen interest in this area and I read his report, "Poverty Trapped", with some interest. He makes a valuable point and will know that the Government have made progress in this area. The old system applied an effective tax rate of more than 90% to lower earners in some cases and, as a result of the changes we have recently made, an adult working 35 hours at the national living wage with two children over five will, for example, benefit from an additional £1,610 a year.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): May I invite the Minister to come to Wakefield with me? I was there on Saturday morning. The people there have not read the Bloomberg report, but they can feel the impact of rising taxes and the cost of living. They know that they will be in desperate trouble in the coming months. Will she get real and bring the Chancellor to an area of good hard-working people who face the future with great fear?

**Lucy Frazer:** I thank the hon. Gentleman and am sure that I will soon make a visit to Wakefield. The Government understand the issue with the rise in the cost of living but over this year we have committed £22 billion to support people in their time of need. The people in Wakefield that the hon. Gentleman talks about will also benefit from the cuts we have made to taxes, such as the universal taper rate, a tax cut for 1.2 million people and an extra £1,000 in their pockets. We have increased the threshold to the NICs rate, a £6 billion tax cut for £30 million working people. As I said—*[Interruption.]*

**Mr Speaker:** I call Philip Hollobone.

#### Energy Bills Support Scheme: Council Tax Rebate

6. **Mr Philip Hollobone** (Kettering) (Con): What discussions he has had with Cabinet colleagues on the efficiency of local authorities in delivering the £150 council tax rebate under the energy bills support scheme. [900055]

**The Exchequer Secretary to the Treasury (Helen Whately):** High global energy prices have pushed up bills. That is why we are already helping households through the energy bills rebate package, which is worth more than £9 billion in total and £350 to the majority of households. Our British energy security strategy sets out how we will deliver a more secure energy supply that brings down bills in the longer term.

**Mr Hollobone:** North Northamptonshire Council last week started paying the £150 rebate to residents who pay by direct debit, and rebates will follow for those who do not pay by direct debit. Will the Minister ensure that the Government disseminate best practice to local authorities regarding how to pay the rebates quickly, because getting this money into people's pockets fast is key to helping residents to deal with the global cost of living squeeze?

**Helen Whately:** My hon. Friend is absolutely right about the importance of getting the money into people's pockets fast, which is why the first support payment is through the council tax system. I know that councils are working hard to get payments to people, whether they do or do not have direct debits. The Treasury is working closely with the Department for Levelling Up, Housing and Communities to support local authorities with delivery.

#### Tax System: Fairness

7. **Dan Carden** (Liverpool, Walton) (Lab): What recent steps he has taken to ensure fairness in the application of the tax system. [900056]

**The Financial Secretary to the Treasury (Lucy Frazer):** The Government are committed to ensuring a tax system that is fair and simple. I will give three examples: first, we have equalised the national insurance and income tax starting thresholds; secondly, our work towards OECD pillars 1 and 2 will help to ensure that multinational businesses pay their fair share; and thirdly, we are tackling avoidance and evasion to ensure that everyone pays the right amount of tax at the right time.

**Dan Carden:** I am grateful to the Minister for that answer. Liverpool, Walton ranks as the most deprived community in the whole of England. I am used to constituents contacting my office unable to afford their bills and to survive on their own incomes. What is new is that local independent businesses are now telling me that they are going under. At the heart of the Liverpool economy is hospitality and the visitor economy. Locally run and owned restaurants and cafés are now facing apocalyptic price rises. The VAT on soft drinks and food consumed on premises, and hot beverages and food taken away, has risen back to 20%—it was 5% and then 12.5% during the pandemic. What will Ministers do to save local independent businesses through the tax system?

**Lucy Frazer:** It is important that we support local businesses, and that is exactly what the Government have done. The hon. Member will know about the business rates support—amounting to £7 billion of support to businesses—that we provided at the last Budget, including £1.7 billion for the hospitality industry through a 50% rebate on business rates. For small businesses, we also increased the employment allowance by £1,000. That is a package of support for local businesses in his area and others across the country.

#### Access to Cash Strategy

8. **Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): What recent steps he has taken to progress the Government's access to cash strategy. [900057]

**The Economic Secretary to the Treasury (John Glen):** The Government recognise the importance of access to cash in the daily lives of millions of people across the UK. In the Queen's Speech, the Government announced that we will legislate to protect access to cash in the financial services and markets Bill, which will be brought forward soon, when parliamentary time allows. We consulted on legislative approaches last year and will publish a summary of responses to the consultation this week.

**Margaret Ferrier:** If we look at the demographic of people who are most likely to be reliant on access to cash, we see that in large part it is those who are vulnerable or on low incomes. If someone is down to their last £10, they cannot afford a withdrawal fee at an ATM. Will the Government look to make all ATMs free to use for the customer by working with banks and ATM providers to reform the interchange fee, so that the system accounts for varying demographics, geography and demand in a way that it currently does not?

**John Glen:** As I said, the Government's response will be revealed in the legislation. When I visited the hon. Member's constituency not so long ago, I saw that the use of hubs—banks working together to provide access

to cash—is key. There are 72,000 cash access points and 430,000 cashback locations across the UK. A coherent response that addresses the hon. Member's points will be made in the legislation.

### Investment in UK Infrastructure

9. **Anna Firth** (Southend West) (Con): What fiscal steps he has taken to support investment in UK infrastructure. [900058]

**The Exchequer Secretary to the Treasury (Helen Whately):** The Government are committed to investing in infrastructure to boost economic growth across the country, and I was delighted to see this at first hand when visiting my hon. Friend's constituency of Southend West last week, where the local authority has secured £19.9 million from the levelling up fund.

**Anna Firth:** It was a real pleasure to welcome the Minister to the new city of Southend last week. Every station on the C2C line in Southend West is access friendly except for Chalkwell station, where there are 30 steep steps to clamber up and down. What further support or funding can the Minister provide to level up that final station and ensure that it is accessible to all?

**Helen Whately:** My hon. Friend is absolutely right to campaign for better access to stations for disabled people. I am pleased to confirm that Chalkwell is included in the Department for Transport's £350 million Access for All programme, and that construction will begin to install a new footbridge and lift this autumn.

**Bill Esterson** (Sefton Central) (Lab): The Government have cut the infrastructure that they promised at the last election, not least in Northern Powerhouse Rail. The economy needs greater rail capacity for passengers and freight, so does not this great rail betrayal show that the Government are not interested in the infrastructure needed for the economy in the north and the midlands to thrive?

**Helen Whately:** I simply do not recognise the picture that the hon. Member is painting. This Government are absolutely committed to investing in infrastructure because that is at the heart of our ambitions for economic growth and levelling up across the country, including £96 billion for the integrated infrastructure rail plan for the north of the country.

**Bim Afolami** (Hitchin and Harpenden) (Con): I welcome the Government's increased investment in infrastructure, but as the Minister knows, for the investment to be most useful we need to improve the deliverability of that infrastructure practically on the ground. Could she set out further what the Government are doing to improve the efficacy of all of that money going into infrastructure so that it actually gets delivered?

**Helen Whately:** That is an excellent question from my hon. Friend. We are not only investing in infrastructure but making sure that taxpayers' money gets put to good use. One way we are doing that is by working with the Infrastructure and Products Authority and with Project SPEED, which specifically scrutinises the most important infrastructure projects in this country to ensure that we are doing a better job of making taxpayers' money go further and doing it cleaner and greener as we go.

**Tim Farron** (Westmorland and Lonsdale) (LD): After London, the Lake district is the most popular visitor destination in the United Kingdom, with 19 million visitors a year, yet its only direct rail link has a single track from the main line at Oxenholme to Windermere, known as the Lakes line. There is a proposal on the table to effectively dual that line by means of a passing loop at Burneside. Will the Minister agree to meet me and folks from the local authority to ensure that—no pun intended—we can fast-track the dualling of the Lakes line?

**Mr Speaker:** Tell him yes!

**Helen Whately:** Thank you, Mr Speaker. The growth of tourism is really important as part of the wider economic growth of the country, and I would be delighted to meet the hon. Gentleman to talk about his proposal.

**Martin Vickers** (Cleethorpes) (Con): The designation of Immingham and Grimsby as part of the Humber ports freeport project highlights the need for increased infrastructure on the road network leading to those ports. Will the Minister agree to meet me and neighbouring MPs to discuss this, and particularly an upgrade for the A180?

**Helen Whately:** I would be delighted to meet my hon. Friend to discuss the upgrade to that road. As I have said, we know that infrastructure is really important in supporting economic growth and levelling up all around the UK.

### Reducing Economic Inequality

10. **Jeff Smith** (Manchester, Withington) (Lab): What recent steps he has taken to help reduce economic inequality. [900059]

16. **Gill Furniss** (Sheffield, Brightside and Hillsborough) (Lab): What fiscal steps he is taking to reduce poverty in the most deprived areas. [900065]

17. **Ruth Jones** (Newport West) (Lab): What recent steps he has taken to help reduce economic inequality in Newport West constituency. [900066]

**The Chancellor of the Exchequer (Rishi Sunak):** I am very proud of the record of this Government and previous Conservative-led Governments over the past decade of significantly reducing the number of people living in poverty and reducing income inequality. In February we published the levelling up White Paper, which seeks to address the very striking regional disparities our country.

**Jeff Smith:** The New Economics Foundation says that recent measures such as the fuel duty cut and the national insurance threshold increase will benefit the richest 5% of families twice as much as the poorest half of households. At the same time, does the Chancellor not accept that his decision to raise taxes on working people while shielding those with incomes from other sources such as a large portfolio of properties is only going to increase income inequality further?



**Rishi Sunak:** The hon. Gentleman is simply wrong. By raising the primary threshold to £12,500, we have ensured that the first £12,500 that anyone earns is completely free of national insurance and income tax. The independent Institute for Fiscal Studies has called it “the best way to help low and middle earners through the tax system”.

That is what this Government are about.

**Gill Furniss:** The cost of living crisis is causing immense hardship for my constituents in Sheffield, Brightside and Hillsborough, many of whom have been struggling for the past 12 years of this Government’s austerity policies. Can the Chancellor look me in the eye and tell me that he is doing everything he can to prevent my constituents from falling into a never-ending cycle of poverty, particularly given that the Prime Minister admitted last week that he believes the Government have not done enough?

**Rishi Sunak:** The hon. Lady talks about the record of previous Governments over the past decade but, as I have mentioned to her previously, the number of people living in absolute poverty has fallen by more than 1 million since the Conservative-led Government were elected in 2010. That is a record of which we are very proud. She talks of austerity and, to bring her up to date, public spending over the course of this Parliament is growing at a record rate, both on investment and on day-to-day spending, so we can support strong investment in all the public services on which her constituents rely.

**Ruth Jones:** Women across the UK are the “shock absorbers of poverty,” as the Women’s Budget Group puts it. Women are cutting essentials for themselves so that their kids do not go without, and this is happening in Newport West, too. My inbox is full of emails from anxious families who are unable to pay their bills. What does the Chancellor think this says about the past 12 years of Conservative Government?

**Rishi Sunak:** Of course we want to be able to support those women, mothers and families who rely on us in these hard times, and that is exactly what this Government are doing. Over the past 10 years, as I said, we have reduced the number of people in poverty. We know that the best way to do that in the long term is to support people into work, which is why I am delighted to see this morning that unemployment is at its lowest level in almost half a century. The single best way to fight poverty is to have a plan for jobs, and our plan is working.

**Jacob Young (Redcar) (Con):** One of the best ways to reduce economic inequality is through our plan for jobs and our freeport programme. To that end, will the Chancellor join me in welcoming the latest investment announced in Teesside’s freeport, a £150 million renewable gas facility for Circular Fuels that will create 200 jobs in construction and further jobs in the supply chain?

**Rishi Sunak:** My hon. Friend is absolutely right. He has been a fantastic champion for his constituents and Teesside in getting the freeport. We are now seeing the proof of that policy, with yet another announcement of more investment and more job opportunities for his constituents, which he rightly says is the best way to support them through these challenging times.

**Mr Speaker:** We now come to the shadow Minister, Abena Oppong-Asare.

**Abena Oppong-Asare (Erith and Thamesmead) (Lab):** Under this Conservative Government, people’s savings have declined by record levels. Data from the Office for Budget Responsibility shows that the amount of income households are able to save is set to fall by more than £1,000. This Tory cost of living crisis is pushing people into debt, yet one Government Minister said yesterday that, if people are struggling, they should simply work more hours and get another job. Will the Chancellor confirm that “Get on your bike” is official Conservative economic policy once again?

**Rishi Sunak:** There is an enormous amount to correct in the hon. Lady’s question. In aggregate, across the economy, savings increased over the past two years by more than £250 billion. Of course, that will not be distributed equally, but there is resilience. Consumer credit, on which those on lower incomes particularly rely, has also fallen by about £30 billion over the past two years. Households approach this period of difficulty in a more resilient shape than at any point in the past decade.

The comments by the Under-Secretary of State for the Home Department, my hon. Friend the Member for Redditch (Rachel Maclean), are absolutely right. It is wrong to take them out of context. This party and this Government are proud to be on the side of hard-working people. We want to support them into work, and we want to make sure that work pays. She was absolutely right to say what she said.

#### Strength of UK Economy

11. **Matt Western (Warwick and Leamington) (Lab):** What recent assessment he has made of the strength of the UK economy. [900060]

**The Chief Secretary to the Treasury (Mr Simon Clarke):** Last year, the UK was the fastest growing economy in the G7, and unemployment has fallen back to 3.7%, which is well below pre-pandemic levels. Growth in the first quarter here was stronger than that in the United States, Germany and Italy, and it is now 0.7% above pre-pandemic levels. The International Monetary Fund forecasts that the UK will be the second fastest growing economy this year and that by 2025 we will once again outpace the rest of the G7, with the fastest growing economy both that year and in 2026.

**Matt Western:** Across the 38 countries of the OECD only Spain had a bigger fall in its GDP from pre-pandemic levels than the UK. The UK is now uniquely placed in the cost of living crisis, owing to a decade of low growth under Conservative Governments. Can the Minister name any G20 country other than the UK that is forecast to have negative growth in 2023?

**Mr Clarke:** The UK has bounced back so strongly from the pandemic that we had the fastest growth last year, we have the second fastest growth this year and we are going to be leading the pack once again. So, we will have the second fastest growth in the G7 in 2024, and we will have the fastest growth in 2025 and 2026. We should be proud of that achievement. There is no doubt that, if we come out of a crisis earlier, there will be an element of other economies catching up in the near term, but the IMF is clear that over the course of the immediate outlook we are world leaders.

### Plan for Jobs: Effectiveness

12. **Lee Anderson** (Ashfield) (Con): What recent assessment he has made of the effectiveness of the plan for jobs in supporting people into work. [900061]

**The Chief Secretary to the Treasury (Mr Simon Clarke):** The success of our plan for jobs is playing a key role in growing the economy and spreading opportunity across the country. The Government protected 11.7 million jobs in the pandemic through schemes such as furlough, and of course we moved millions of jobseekers into work and supported young people through programmes such as kickstart and our apprenticeships offer.

**Lee Anderson:** Businesses in Ashfield are telling me that they are struggling to recruit young apprentices, even though they are offering top wages and education up to degree level. I am doing my bit by hosting an apprenticeships fair, but what more can the Government do to ensure that the young people in my area know that there are great, well-paid apprenticeship schemes available, so that they can have a fantastic career on their doorstep—and maybe a career in catering?

**Mr Clarke:** My hon. Friend is absolutely right to say that it is an important message, which this whole House should send out, that apprenticeships really matter, that going to university is not the only way to succeed, and that people can earn and learn at the same time on our great apprenticeship courses. I believe my right hon. Friend the Chancellor visited Caunton Engineering in my hon. Friend's constituency to promote apprenticeships, and of course I wish his apprenticeships fair every success.

**Christine Jardine** (Edinburgh West) (LD): The Chancellor mentioned that this plan for jobs is the long-term plan for restarting the economy. Do the Government accept that perhaps they need to do more immediately than simply having a long-term plan for jobs, in order to help people with the cost of living crisis?

**Mr Clarke:** We absolutely do accept that, which is why we brought forward a £22 billion package of support this year, with help ranging from reducing the burden of tax to providing support on things such as energy bills. That is absolutely in recognition of a very challenging economic landscape for people to be operating in, owing to the impact of the global pressures we are facing on inflation. We are clear that we have a plan for jobs and a plan for growth, and that we will get through the current crisis and deliver a much better future for the people of this country on the other side of what have been a remarkable couple of years and a very difficult one for the whole developed world.

### Support for SMEs

13. **Philip Dunne** (Ludlow) (Con): What fiscal steps his Department is taking to support small and medium-size enterprises. [900062]

**The Exchequer Secretary to the Treasury (Helen Whately):** Small and medium-sized businesses are at the heart of our economy, creating jobs and prosperity across the UK. Last week, we wrote to more than 2 million businesses setting out our support to them, including a

£1,000 cut to employment taxes, extending the annual investment allowance limit, reducing business rates and cutting fuel duty by 5p.

**Philip Dunne:** In considering responses to the Treasury's consultation on simplifying alcohol duty, will my hon. Friend consider a model that broadly relates duty to alcohol strength but without creating massive complexity and cost for the UK's thousands of off licences and wine shops, including important small and medium-sized enterprises in Shropshire, which create jobs, supporting both the wine import and brewing sectors?

**Helen Whately:** As my right hon. Friend knows, we have set out our plans to make alcohol duty simpler and fairer—a change that is long overdue. That includes a new relief for draught beer, small producer relief for craft cider makers and the end of the higher rate for sparkling wine. I am listening to the sector and I have visited businesses to hear for myself, to make sure that the reforms work in practice.

### Topical Questions

T1. [900075] **Rachael Maskell** (York Central) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

**The Chancellor of the Exchequer (Rishi Sunak):** First, I wish the Financial Secretary to the Treasury, my right hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), a very special and very happy birthday.

The Government of course appreciate that global inflationary forces are currently making life difficult for families, which is why we have brought forward, as we have heard, £22 billion-worth of support this year to help those in work and the most vulnerable in our society. We stand ready to do more as the situation evolves. That support is part of a broad plan that will grow our economy, encourage investment and create more skilled and high-wage jobs. That is this Government's priority.

**Rachael Maskell:** With so much affluence in our country, poverty is a political choice—the choice of the Chancellor and his Government. In York this week, energy companies are cutting off people's energy supply, landlords are evicting people, budgets do not balance, poor mental health is spiralling and fear is gripping people on low wages, ill and disabled people and the elderly. That is the Chancellor's choice. Why will he not increase social security payments? Such payments should pay, not punish, and keep people safe and secure.

**Rishi Sunak:** The track record of this Government and previous Conservative Governments is very strong on reducing the number of people in poverty, because that is of course something that we want to achieve. On what is without question the No. 1 challenge that families currently face—energy bills—we have brought forward £9 billion-worth of support; many people in the hon. Lady's constituency will have already benefited from £150 of that, and there is £200 more to come. Some of the actions of energy companies that the hon. Lady mentioned do not sound appropriate and I would be happy to look into the specific cases.

T3. [900077] **Mark Pawsey** (Rugby) (Con): On new year's eve, my constituent Jamie Rees suffered a cardiac arrest and died, quite simply because the nearest defibrillator was not available—it was locked up in a school building at the time. In his memory, Jamie's mum, Naomi Rees-Issitt, has set up a JustGiving page called "OurJay" to provide externally mounted defibrillators in and around Rugby, but she points out, quite reasonably, that it should not be left to grieving families to provide them and there should not be a postcode lottery in their availability. What funding can the Government provide to make more defibrillators available?

**The Financial Secretary to the Treasury (Lucy Frazer):** I thank my hon. Friend for his question and extend my heartfelt condolences to Naomi for the loss of her son. My hon. Friend may be interested to know that NHS England and NHS Improvement, along with the British Heart Foundation, Resuscitation Council UK and the Association of Ambulance Chief Executives, have developed the Circuit, which is a national defibrillator network that will register defibrillators in the UK and provide an overview of where they can be found. I know that the Chancellor and the Prime Minister are interested in this issue, as I met the Prime Minister with my hon. Friend the Member for Rushcliffe (Ruth Edwards). It is indeed an important issue.

**Mr Speaker:** We now come to the shadow Chancellor, Rachel Reeves.

**Rachel Reeves** (Leeds West) (Lab): At the spring statement, the Chancellor confirmed that the Conservative Government's rise in national insurance—a tax increase on working people and the businesses that employ them—will go ahead. Since then, retail sales are falling, consumer confidence is tanking and GDP is falling. We are the only G7 country that is increasing taxes on working people in the middle of a cost of living crisis. National insurance is the wrong tax increase at the wrong time. Does the Chancellor still think that his tax rises on working people are the right approach?

**Rishi Sunak:** The hon. Lady fails to mention what is about to happen, which is the biggest tax cut for working people that we have seen in decades: the rise in the national insurance threshold to £12,500. That means that 30 million people in work will receive, on average, a £330 tax cut and, contrary to what she has just said, it ensures that 70% of people in work will pay less tax this year than they paid last year.

**Rachel Reeves:** The Chancellor expects people to thank him for increasing their taxes only then to decrease them a couple of months later. The truth is that the Chancellor should be asking those with the broadest shoulders to pay a bit more in tax—such as the North sea oil and gas companies that are making record profits—yet he chooses not to tax them. Will the Chancellor explain today why he will not close the outdated, unfair and unjustifiable tax loophole that sees 70,000 people benefit from non-dom tax status?

**Rishi Sunak:** The hon. Lady says that we should be asking those with the broadest shoulders to pay, but that is exactly what we are doing. The NHS and social care levy means that those with the broadest shoulders,

the top 15% of earners, will pay more than half the money raised from that levy. I think that she believes that that levy should be scrapped. It is an entirely progressive way to raise money to fund the tackling of NHS backlogs, for which there is, I know, huge support in this House. The Government are keen to get on and fix the pressing challenges of this country. We will fund those things in a responsible and progressive way, and that is exactly the plan that we have put in place.

T8. [900082] **Sir Edward Leigh** (Gainsborough) (Con): I am not sure whether there is much point in indulging in a blame game against the Bank of England or the Treasury, given that we are facing the unprecedented attack of a global pandemic and war in Europe. The fact remains that conservative Governments who have increased taxation during recession—such as those led by the first George Bush or John Major—go down to defeat. More importantly, millions of families are now desperately worried about how they will pay their bills. Will the Chancellor now say that his absolute priority, coming up to the Budget, is to reduce the overall tax burden on working families?

**Rishi Sunak:** I can give my right hon. Friend that assurance. That is our priority. We started last autumn by cutting the tax rate for those on the lowest incomes and universal credit. We carried that on in the spring statement by delivering a tax cut for those on lower-middle incomes by raising the primary threshold, and our priority is to keep cutting taxes for those in work, including by cutting income tax, as soon as the public finances allow.

**Mr Speaker:** I call the SNP spokesperson.

**Alison Thewliss** (Glasgow Central) (SNP): Inflation is running out of control, growth is flatlining, and food and energy costs are spiralling. The Governor of the Bank of England yesterday was warning of "apocalyptic" food prices. James Withers of Scotland Food & Drink says that Brexit has made nothing better and a number of things worse. People and businesses have heard absolutely nothing from this Chancellor today on how he will tackle this urgent cost of living crisis—nothing at all. Will he bring forward an emergency Budget without further delay, as the British Chambers of Commerce are asking?

**Rishi Sunak:** The hon. Lady talks about Brexit. We have already heard about the difference that Brexit is making, with a freeport in Teesside, which, because of Brexit, we have been able to create—and not just there, but in Leith, Immingham, Southampton and other places too. As we have heard today, those innovations are bringing jobs and investment to parts of our country that need to see it. That is what this Government promised to do, and that is what this Government are delivering.

T9. [900083] **Ms Nusrat Ghani** (Wealden) (Con): I have 14 vineyards in my constituency of Wealden. This is a growing industry in rural areas. I am grateful to the Exchequer Secretary to the Treasury for meeting me recently, but may I urge her and the Chancellor to meet my vineyard owners, face to face, to hear their anxieties over the Treasury's plans to hike tax on wine, which will create more red tape by increasing the number of rates

of duty from three to 27? This industry creates thousands of jobs and it needs nurturing, so may I please propose a visit to one of my vineyards in Wealden?

**Mr Speaker:** It has to be a yes to that.

**Helen Whately:** My hon. Friend tempts me with a visit to a vineyard in her constituency. She has already made the argument very strongly—when I recently met the wine and spirits all-party group. Representing a wine-producing constituency, she will appreciate, I am sure, our announcement of the reduction in the duty rate for sparkling wine. As I said to my right hon. Friend the Member for Ludlow (Philip Dunne) earlier, I am speaking to businesses in the sector to make sure that we get right the practicalities of introducing these reforms.

T2. [900076] **Hannah Bardell** (Livingston) (SNP): Speaking of broad shoulders, I am interested to know what makes the Chancellor, one of the richest men in the Commons and, indeed, in the UK, in any way qualified to make policy or to help the poorest people in my constituency who, as a result of the Tory cost of living crisis, have to choose between heating and eating, which he and others like him will never have to face?

**Rishi Sunak:** I urge the British people to judge me by my actions. Over the past two years, the record of this Conservative Government stands for itself. We were there to help this country through the crisis and we are there to help them today.

**Mr Speaker:** I call the Chair of the Treasury Committee.

**Mel Stride** (Central Devon) (Con): Naturally, there has been criticism of the Bank of England, given the level of inflation and its inflation target, but among that criticism there have been reports that some in government, including perhaps one member of the Cabinet, have been suggesting that the independence of the Bank of England should be removed. Does my right hon. Friend agree that it is essential that our central bank is independent in order to maintain the credibility and integrity of our monetary policy? Will he give a categorical assurance to the House that there are no plans of any kind to restrain the independence of our central bank?

**Rishi Sunak:** I thank my right hon. Friend the Chair of the Select Committee for his important intervention. I agree with him wholeheartedly. While we face challenges at the moment, the record of 25 years of central bank independence speaks for itself, with an average inflation rate of exactly 2%. I know all colleagues will want to make sure that we return to that as swiftly as possible, and I can assure him that that is both my and the Governor's ambition.

T4. [900078] **Mr Virendra Sharma** (Ealing, Southall) (Lab): Labour has uncovered £3.5 billion-worth of covid contracts that were awarded to Tory-linked firms. Last week, Dominic Cummings said that bungs were paid, with no civil service oversight, to newspapers. Why on earth does the Chancellor think the British public should trust him with the public finances when he manages the economy with the Prime Minister's mantra, "One rule for us, one rule for everyone else"?

**The Chief Secretary to the Treasury (Mr Simon Clarke):** Obviously we are all clear that all fraud against the Exchequer is an outrage and totally wrong. That is why we have established a £100 million taxpayer protection taskforce, which is precisely determined to focus on that. We also have a new fraud function within Government, which is heavily focused on making sure that we address those issues. We are determined to make sure that, where there has been wrongdoing, we crack down on it and recover the money to the maximum extent that we can. Obviously, when introducing these schemes, we had to balance the imperative of speed of delivery against the risks, and I think we struck the appropriate balance at that time.

**Stephen Hammond** (Wimbledon) (Con): There was widespread welcome for last week's announcement that the Government will introduce a financial services and markets Bill. Can my right hon. Friend confirm that the intention of that Bill will be to ensure that future regulation is proportionate, that the regulator is publicly accountable and that we intend to maintain the international competitiveness of this great industry?

**The Economic Secretary to the Treasury (John Glen):** Absolutely I can. I note the observations of some economists yesterday; we will have an obligation on regulators to take account of competitiveness and of where we are in the global context.

T5. [900079] **Alan Brown** (Kilmarnock and Loudoun) (SNP): Compared with April 2020, our energy bills are now 75% more expensive and petrol is 50% more expensive. If the Chancellor thought an extra £20 a week was needed for universal credit two years ago, surely he agrees it must be reinstated as a matter of urgency?

**Rishi Sunak:** Of course the Government recognise that energy bills are the single biggest challenge households face. That is why we have provided £9 billion-worth of support, including £150 for English households in the most recent month, with £200 more in support to come later this year.

**Saqib Bhatti** (Meriden) (Con): I believe the Conservatives are and ought to be the party of hard-working families. According to a report released yesterday by the Centre for Policy Studies, reducing the cost of childcare can increase GDP by 10% and increase access to opportunities for women in the workforce. Does my right hon. Friend the Chancellor agree that helping hard-working families with childcare costs is good for the economy and that it is the Conservative thing to do?

**The Exchequer Secretary to the Treasury (Helen Whately):** I completely agree with my hon. Friend. In fact, we do support families with the cost of childcare. One thing we do is to provide families with access to tax-free childcare, which means they can get a 20% reduction on the cost of childcare, up to a cap of £2,000 a year.

T6. [900080] **Stephen Farry** (North Down) (Alliance): The Foreign Secretary is about to make a statement regarding unilateral changes to the Northern Ireland protocol that risk unpicking the trade and co-operation agreement and a trade war with the European Union. I understand that the Chancellor had been a voice for restraint and caution in Cabinet. Why has his view not prevailed?

**Lucy Frazer:** I do not want to foreshadow what the Foreign Secretary may or may not say in her statement, but I assure the hon. Gentleman that with regard to the protocol, the Government's overriding priority has been and continues to be preserving peace and stability in Northern Ireland.

**Mr Richard Holden** (North West Durham) (Con): Can my right hon. Friend the Chancellor confirm that a worker working full time, or 40 hours a week, on the living wage is now £1,700 a year better off in real terms than they were in 2010 and that, after July, that will rise to almost £2,000, with everybody earning less than £36,000 a year better off under this Conservative Government this year?

**Rishi Sunak:** My hon. Friend is absolutely right, and I thank him for his support in championing policies that support his hard-working constituents. This Government will always be on the side of people on lower and middle incomes who are working hard to provide a better life for their families, and we will keep delivering for them.

T7. [900081] **Steve McCabe** (Birmingham, Selly Oak) (Lab): The Chancellor called the reduction in fuel duty in the spring statement

“a tax cut...for hard-working families.”—[*Official Report*, 23 March 2022; Vol. 711, c. 338.]

Why are those families paying more for a litre of petrol today than they were then?

**Rishi Sunak:** Sadly, nothing we can do from this Dispatch Box can change global oil prices, but we can reduce the taxes that we are responsible for. That tax cut, together with the freeze, is worth, this year, about £100 for a typical family driver, £200 or more for a van driver, and almost £1,500 for an HGV driver.

T10. [900084] **Helen Morgan** (North Shropshire) (LD): It is not only households that are impacted by the cost of living emergency; businesses in North Shropshire are facing unimaginable and unmanageable increases in their fuel bills and other input costs, and this has been compounded by the national insurance tax rise imposed by this Government and paid by employers. Does the Chancellor agree that the increase in national insurance for employers should be scrapped to keep our small businesses in business?

**Mr Simon Clarke:** We are absolutely determined to reduce the burden of tax facing both businesses and individuals. We have already heard during the course of these exchanges about the action we have taken, for example, on the employment allowance and on business rates, which is precisely designed to help businesses succeed in what is obviously a challenging environment.

**Afzal Khan** (Manchester, Gorton) (Lab): In my constituency, one food bank has provided 1,269 emergency food parcels in four months, 40% of which have gone to children. Food banks are now reporting shortages as people cut back to make ends meet. This is no longer about living; it is about surviving. So will the Government end their heartless policy and immediately scrap the national insurance hike that they have introduced during the cost of living crisis?

**Rishi Sunak:** Whether it is expansion of the school breakfast club programme, the holiday activities and food programme or healthy start vouchers, this Government are supporting families in meeting the costs of food, particularly at this difficult time. The hon. Gentleman rightly talks about children growing up in poverty. The best way to support those children is to ensure that they do not grow up in a household where no one is working, and I am proud that, thanks to the actions of Conservative Governments, half a million fewer children are now growing up in a workless household.

**Stella Creasy** (Walthamstow) (Lab/Co-op): One group of companies doing well out of the cost of living crisis is the buy now, pay later lenders, with Klarna now valued higher than Barclays or Lloyds. One in 12 of their customers are using buy now, pay later credit to pay for toiletries and basic food products. Will the Chancellor, who was boasting about our consumer credit profile earlier, name the date when our constituents can finally make good on the promise that was made in this House over 18 months ago to give people protection from these legal loan sharks and access to the Financial Ombudsman Service?

**John Glen:** I cannot give the date, but it will be very soon.

**Dan Jarvis** (Barnsley Central) (Lab): My experience over the past four years or so has proved without doubt that truly levelling up South Yorkshire and the wider north will require transformative levels of investment. Does the Chief Secretary agree, and if so, does he truly believe that the investment is there to meet the huge challenge that we undoubtedly face?

**Mr Simon Clarke:** I pay tribute to the hon. Gentleman for his service as the Mayor of South Yorkshire; he did an outstanding job. It is very important that we recognise that we are going to need more great Mayors from across this House and from outside Parliament to help to deliver opportunity in the region. We are absolutely clear that our programme of investment, through a record spending review, is designed to make sure that levelling up moves from blueprint to reality over the course of the years ahead.

**Nia Griffith** (Llanelli) (Lab): This Government have completely failed on growth in the economy, with the IMF, taking into account all the current Government proposals, currently forecasting that the UK will have the slowest growth in the G7 this year. The Minister will know that putting money into the pockets of the least well-off not only relieves their hardship but puts it into the local economy as they have to spend it, of necessity, back into the local economy, thus stimulating growth. Instead of choking off growth through the £20 universal credit cut, the national insurance hike and the refusal to use a windfall to relieve the hardship of these families, what new, additional measures do the Government propose to help hard-pressed families and to improve that IMF forecast on growth?

**Rishi Sunak:** The hon. Lady cherry-picks the statistics. Last year we were the fastest-growing economy in the G7 and this year the second fastest. After the other

countries have caught us up next year, we will return to being the second-fastest and then the fastest-growing economy. There is more to come from this Government to support growth. In the autumn we will cut taxes on business investment and innovation, which we all know is the best way to drive up productivity and growth.

**Andrew Gwynne** (Denton and Reddish) (Lab): Ministers spoke earlier about using infrastructure to level up, and they are absolutely right—we need to link local communities to where the jobs are, so transport matters. Why, then, is there a lack of joined-up government? The Treasury is paying billions towards High Speed 2 coming to Manchester, yet the Bill before Parliament will sever the

Metrolink line through Audenshaw in my constituency to Manchester, meaning that the tram will not be able to run for two years. That is not levelling up, is it?

**Mr Simon Clarke:** What is levelling up is making sure that we have a colossal programme of transport investment designed to ensure that the connections both between regions and within regions are as strong as they can be, and I refer to the £96 billion integrated rail plan, which sits at the heart of our ambition in this space. Clearly the specifics of the proposal that the hon. Gentleman mentions are for Transport Ministers and the Mayor of Greater Manchester to discuss.

**Mr Speaker:** I let questions run on because the writs were moved earlier and we were late starting.

## Northern Ireland Protocol

**Mr Speaker:** Before I call the Secretary of State, I wish to make a short statement in the context of this session. I am exercising the discretion given to the Chair in respect of the resolution on sub judice matters to further extend the waiver granted for proceedings in January to allow full reference to the challenge to the Northern Ireland protocol and to allow limited reference to the active legal proceedings.

12.40 pm

**The Secretary of State for Foreign, Commonwealth and Development Affairs (Elizabeth Truss):** With permission, Mr Speaker, I would like to update the House on the Northern Ireland protocol and to lay out the next steps. Our first priority is to uphold the Belfast/Good Friday agreement in all its dimensions. That agreement put in place a new arrangement for the governance of Northern Ireland and these islands composed of three interlocking strands: a power-sharing Government at Stormont on the basis of consent and parity of esteem for all communities; intensified north-south co-operation on the island of Ireland; and enhanced arrangements for east-west co-operation. So much of the progress we have seen in Northern Ireland rests on this agreement, and for the agreement to continue to operate successfully, all three strands must function successfully. These arrangements are the foundation on which the modern, thriving Northern Ireland is built. It commands the support of parties across this House, and we will continue to work with all communities in Northern Ireland to protect it.

As a Government, we want to see a First Minister and Deputy First Minister in place, and we want to work with them to make further progress. The basis for successful power sharing remains strong, as my right hon. Friend the Prime Minister laid out yesterday. However, the Belfast/Good Friday agreement is under strain, and, regrettably, the Northern Ireland Executive has not been fully functioning since early February. This is because the Northern Ireland protocol does not have the support necessary in one part of the community in Northern Ireland. I also note that all Northern Ireland's political parties agree on the need for changes to the protocol.

The practical problems are clear to see. As the House will know, the protocol has not yet been implemented in full, due to the operation of grace periods and easements. However, EU customs procedures for moving goods within the UK have already meant that companies are facing significant costs and paperwork. Some businesses have stopped this trade altogether. These challenges have been sharpened by the post-covid economic recovery. Rules on taxation mean that citizens in Northern Ireland are unable to benefit fully from the same advantages as the rest of the UK, such as the reduction in VAT on solar panels. Sanitary and phytosanitary rules mean that producers face onerous restrictions, including veterinary certification, in order to sell foodstuffs in shops in Northern Ireland.

These practical problems have contributed to the sense that the east-west relationship has been undermined. Without resolving these and other issues, we will not be able to re-establish the Executive and preserve the hard-won progress sustained by the Belfast/Good Friday agreement. We need to restore the balance in the agreement.

Our preference is to reach a negotiated outcome with the EU; we have worked tirelessly to that end and will continue to do so. I have had six months of negotiations with Vice-President Maroš Šefčovič, which follow a year of discussions undertaken by my predecessor. The UK has proposed what we believe to be a comprehensive and reasonable solution to deliver on the objectives of the protocol. This includes a trusted trader scheme to provide the EU with real-time commercial data, giving it confidence that goods intended for Northern Ireland are not entering the EU single market. We are already sharing over 1 million rows of goods movement data with the EU every week.

Our proposed solution would meet both our and the EU's original objectives for the protocol. It would address the frictions in east-west trade while protecting the EU single market and the Belfast/Good Friday agreement. The challenge is that this solution requires a change in the protocol itself, as its current drafting prevents it from being implemented, but the EU's mandate does not allow the protocol to be changed. That is why its current proposals are unable to address the fundamental concerns. In fact, it is our assessment that they would go backward from the situation we have today with the standstill.

As the Prime Minister said, our shared objective must be to find a solution that can command the broadest possible cross-community support for years to come and protect the Belfast/Good Friday agreement in all its dimensions. That is why I am announcing our intention to introduce legislation in the coming weeks to make changes in the protocol.

Our preference remains a negotiated solution with the EU. In parallel with the legislation being introduced, we remain open to further talks if we can achieve the same outcome through a negotiated settlement. I have invited Vice-President Šefčovič to a meeting of the Withdrawal Agreement Joint Committee in London to discuss that as soon as possible.

However, to respond to the very grave and serious situation in Northern Ireland, we are clear that there is a necessity to act to ensure that the institutions can be restored as soon as possible. The Government are clear that proceeding with the Bill is consistent with our obligations in international law and in support of our prior obligations in the Belfast/Good Friday agreement. Before any changes are made, we will consult businesses and people in Northern Ireland as our proposals are put forward.

I want to be clear to the House that this is not about scrapping the protocol; our aim is to deliver on the protocol's objectives. We will cement the provisions in the protocol that are working, including the common travel area, the single electricity market and north-south co-operation, while fixing those elements that are not, such as the movement of goods, goods regulation, VAT, subsidy control and governance.

The Bill will put in place the necessary measures to lessen the burden on east-west trade and to ensure that the people of Northern Ireland are able to access the same benefits as the people of Great Britain. It will ensure that goods moving and staying within the UK are freed of unnecessary bureaucracy through our new green channel.

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That respects Northern Ireland's place in the UK's customs territory and protects the UK internal market. At the same time, it ensures that goods destined for the EU undergo the full checks and controls applied under EU law. That will be underpinned by the data-sharing arrangements that I have already set out. It will allow both east-west trade and the EU single market to be protected while removing customs paperwork for goods remaining in the United Kingdom.

The Bill will remove regulatory barriers to goods made to UK standards being sold in Northern Ireland. Businesses will be able to choose between meeting UK or EU standards in a new dual regulatory regime. It will provide the Government with the ability to decide on tax and spend policies across the whole United Kingdom. It will address issues related to governance, bringing the protocol in line with international norms. At the same time, it will take new measures to protect the EU single market by implementing robust penalties for those who seek to abuse the new system, and it will continue to ensure that there is no hard border on the island of Ireland.

I will publish more detail on these solutions in the coming weeks, and let me be crystal clear that, even as we do so, we will continue to engage with the EU. The Bill will contain an explicit power to give effect to a new, revised protocol if we can reach an accommodation that meets our goal of protecting the Belfast/Good Friday agreement. We remain open to a negotiated solution, but the urgency of the situation means we cannot afford to delay any longer. The UK has clear responsibilities as the sovereign Government of Northern Ireland to ensure parity of esteem and the protection of economic rights. We are clear that the EU will not be negatively impacted in any way, just as we have ensured the protection of the EU single market since the existence of the protocol.

We must restore the primacy of the Belfast/Good Friday agreement in all of its dimensions as the basis for the restoration of the Executive, and we will do so through technical measures designed to achieve the stated objectives of the protocol, tailored to the reality of Northern Ireland. We will do so in a way that fundamentally respects both Unions—that of the United Kingdom and that of the EU—and we will live up to our commitments to all communities of Northern Ireland. As co-signatory and co-guarantor of the Good Friday/Belfast agreement, we will take the necessary decisions to preserve peace and stability. I commend this statement to the House.

**Mr Speaker:** I call the shadow Minister, Stephen Doughty.

12.51 pm

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): We are grateful for advance sight of the statement from the Foreign Secretary, and I apologise on behalf of the shadow Foreign Secretary, who is unfortunately self-isolating due to covid.

It is over two and a half years since the Government negotiated and signed the withdrawal agreement. That deal included the Northern Ireland protocol, which required, by its design, some trade barriers and checks in the Irish sea. That was clear from the outset and it

was a choice by this Prime Minister and by the Government, yet now, barely two years later, the Government are trying to convince people that their flagship achievement was not a negotiating triumph, but a deal so flawed that they cannot abide by it. Either they did not understand their own agreement, they were not up front about the reality of it, or they intended to break it all along. The Prime Minister negotiated this deal, signed it and ran an election campaign on it. He must take responsibility for it and make it work.

The situation in Northern Ireland is incredibly serious. Power sharing has broken down, Stormont is not functioning and political tensions have risen, while people in communities across Northern Ireland face rising bills as the cost of living crisis deepens. The operation of the protocol has created new tensions that do need to be addressed by listening to all sides, as well as to business and to consumers, and both the UK Government and the EU need to show willing and good faith. This is not a time for political posturing or high-stakes brinkmanship.

Everyone recognises that the situation in Northern Ireland is unique, and we want checks to be reduced to their absolute necessary minimum and for them to properly reflect trade-related risks. It cannot be right, for example, that goods leaving Great Britain that have no realistic prospect of leaving Northern Ireland, such as supermarket sandwiches, face excessive burdens, and the EU needs to understand that practical reality. Unnecessary barriers will only hamper business, inhibit trade and undermine confidence and consent.

The Good Friday agreement was one of the proudest achievements of the last Labour Government. It is absolutely essential that it is protected. That is why we need calm heads and responsible leadership. We need a UK Government capable of the hard diplomatic graft to find solutions and an EU willing to show flexibility. The right response to these challenges cannot simply be to breach our commitments. It is deeply troubling for the Foreign Secretary to be proposing a Bill to apparently break the treaty that the Government themselves signed just two years ago. That will not resolve issues in Northern Ireland in the long term; rather, it will undermine trust and make a breakthrough more difficult. It would drive a downward spiral in our relationship with the EU that will have damaging consequences for British businesses and consumers. It is Cornish fisherman, County Down farmers and Scotch whisky makers who will lose out, holding back the economy while growth forecasts are already being revised down.

But this goes beyond matters of trade. Britain should be a country that keeps its word. The rest of the world is looking at us and wondering whether we are a country that they want to do business with. When we seek to negotiate new deals abroad, do the Government want to make other countries question whether we will keep our end of the bargain? There are wide-ranging and damaging repercussions, undermining our ability to hold others to account for their own commitments, when we should be pulling together in support of Ukraine, for example, not fuelling divisions with our European allies.

The right approach is for the Government and the EU to work together to find practical solutions to these problems, and to brief the media less and to negotiate more. There is no long-term unilateral solution, and only a solution that works for all sides and delivers for



the people and businesses of Northern Ireland will have durability and provide the political stability that businesses crave and the public deserve. We believe that should begin with a veterinary agreement that would eliminate the vast majority of checks on produce going from Great Britain to Northern Ireland. New Zealand has an equivalence agreement, and it should not be beyond the Government and the EU to negotiate one that reflects the unique circumstances in Northern Ireland.

We would also negotiate with the EU for more flexibility on VAT in Northern Ireland, to fully align Northern Ireland VAT rules with those of Great Britain. We would use that to take VAT off Northern Ireland energy bills, funded by a one-off windfall tax on oil and gas producer profits, to help ease the cost of living crisis.

If the Government are determined to plough on with the Bill that the Foreign Secretary has proposed, will they agree to prelegislative scrutiny by the Foreign Affairs Committee, and will they set out clearly to the House why this does not break international law?

Labour wants to make Brexit work and for Britain to flourish outside the EU. We want the Government to take responsibility for the deal they signed, to negotiate in good faith and to find practical solutions, not take reckless steps to prolong uncertainty in Northern Ireland and damage Britain's reputation. We want the EU to show the necessary flexibility, to minimise all barriers, and to work with the UK Government and listen to all sides in Northern Ireland. That is the right approach, that is the responsible approach, and it is what is in the long-term interests of the people of Northern Ireland, and indeed of the whole of the United Kingdom.

**Elizabeth Truss:** Our priority, as the United Kingdom Government, has to be peace and stability in Northern Ireland and protection of the Belfast/Good Friday agreement. It is vitally important that we get the Executive back up and running and functioning, and that we fix the very real issues with the Northern Ireland protocol.

I welcome the hon. Gentleman's acknowledgment that there are issues with taxation, with customs, and with procedures and bureaucracy. Fixing those issues does require the EU to be open to changing the protocol. As yet, and I have had six months of talks with Vice-President Šefčovič—my predecessor had 12 months of talks—the EU has been unwilling to open the protocol. Without that, we cannot deal with the tax issue, we cannot deal with the customs issue and we will not sort out the fundamental issues in Northern Ireland. It is our responsibility, as the Government of the United Kingdom, to restore the primacy of the Belfast/Good Friday agreement to get the Executive up and running.

In answer to the hon. Gentleman's question about legality, we are very clear that this is legal in international law, and we will be setting out our legal position in due course.

**Mr Speaker:** I call the Chair of the Northern Ireland Affairs Committee, Simon Hoare.

**Simon Hoare** (North Dorset) (Con): Thank you, Mr Speaker.

"The first duty of Government is to uphold the law. If it tries to bob and weave and duck around that duty when it's inconvenient, if government does that, then so will the governed, and then nothing is safe—not home, not liberty, not life itself."

Those are not my words, but Margaret Thatcher's. Respect for the rule of law runs deep in our Tory veins, and I find it extraordinary that a Tory Government need to be reminded of that. Could my right hon. Friend assure me that support for, and honouring of, the rule of law is what she and the Government are committed to?

**Elizabeth Truss:** I can assure my hon. Friend that we are committed to upholding the rule of law. We are clear that this Bill is legal in international law, and we will set out the legal position in due course.

**Mr Speaker:** I call the Scottish National party spokesperson, Richard Thomson.

**Richard Thomson** (Gordon) (SNP): I thank the Foreign Secretary for advance sight of her statement. We have heard plenty about the alleged shortcomings of the protocol, but there should be acknowledgement of the Government's role in negotiating it; that does not even seem to have reached the level of being limited and specific, from what we have heard today. Ultimately the problem this legislation purports to deal with is not to do with the protocol, which was made necessary by the kind of Brexit that the Government eventually negotiated; the seed of the problem was in the very nature of the settlement.

Neither my colleagues nor I deny for one moment the hurt and upset caused to many in Northern Ireland by the protocol, but we must not forget that Scotland and Northern Ireland as a whole both voted against Brexit, and that there was not cross-Union consent for where we are now. If the consequences of that deal are judged to be not in the best interests of the people of Northern Ireland, we need to be honest and recognise that the consequences of the entire withdrawal agreement are not in the interests of any place in the UK, because "getting Brexit done" has meant border checks for goods going from Great Britain to the EU or to Northern Ireland, but an absolute free-for-all for anything coming into Great Britain.

We on the SNP Benches have said all along that a stable agreement needs to be reached with the EU that works for all parts of the UK, and I genuinely wish the UK Government well in that, but with the crisis in Ukraine, the last thing we need to be doing is thrashing around here pointlessly in a snare of our own making. Domestic legislation will, even if passed, not wash away the need to comply with international commitments; nor will it change the fact that if the UK is neither in nor aligned with the single market and customs union, that still creates a trade border that needs to go somewhere.

Restoring devolved government in Northern Ireland and resolving the self-inflicted wounds of Brexit will require good will, trust and a negotiated settlement. I am sorry to say that the threats of unilateral legislative action by this Government to override their own deal are unlikely to be taken seriously in Belfast, and will not be taken seriously in Brussels; there is absolutely no reason why they should be taken seriously in this place either.

**Elizabeth Truss:** I have been very clear that we are open to a negotiated solution, but that negotiated solution needs to deliver on the ground in Northern Ireland and address the very real problems with the protocol, which

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the hon. Gentleman acknowledges—namely the fact that the people of Northern Ireland cannot currently benefit from UK tax and state aid decisions, and the fact that there is still full customs implementation on goods coming into Northern Ireland. In order to address those issues, it is not just the implementation of the protocol that needs to be addressed; the protocol itself needs to change, and we need that change in the mandate from the EU. It is absolutely our preference to have a negotiated solution with the EU, but we have to be clear that those changes need to happen; otherwise the protocol simply will not deliver on the ground in Northern Ireland, or restore the balance as set out in the Belfast/Good Friday agreement, and we will not see the Executive in Northern Ireland back up and running, which is what we want.

**Theresa Villiers** (Chipping Barnet) (Con): The EU's approach to the protocol is so unreasonable that it is banning the movement of tree saplings from Great Britain to Northern Ireland for planting for the Queen's platinum jubilee. Will the Foreign Secretary promise that her new enhanced green channel will disapply not just customs rules, but these unreasonable and excessive sanitary and phytosanitary rules on plants and foods?

**Elizabeth Truss:** My right hon. Friend is right to point out the very real issues the protocol is causing, particularly on SPS rules, and particularly in respect of goods that there is no plan to transport to the Republic of Ireland. She is right that our proposals will ensure those goods are able to travel freely through the green lane into Northern Ireland as part of a trusted trader scheme. For any company violating that scheme and not following the rules, there will be enforcement, so that we make sure we protect the EU single market. This is a pragmatic solution. We are supplying commercial data to the EU in real time, so that it can manage the EU single market while we protect our UK single market.

**Hilary Benn** (Leeds Central) (Lab): I agree that the Commission needs to move further to reduce unnecessary checks and paperwork on goods moving between Great Britain and Northern Ireland; a sandwich made in Yorkshire and sold in Belfast presents no threat whatsoever to the integrity of the European Union single market. However, why does the Foreign Secretary think that threatening to change an international treaty unilaterally—I look forward to seeing the description of why that is legal—will encourage the Commission to change its approach, especially when it is likely to undermine trust further, and may result in trade retaliation, which is not in the interests of any of our constituents?

**Elizabeth Truss:** The right hon. Gentleman points out that we need more flexibility from the EU, and need a changed mandate. His point about sandwiches from Yorkshire cannot be addressed through the operation of the protocol; the protocol itself needs to be changed. I have had six months of discussions with Maroš Šefčovič—my predecessor had a year of discussions—and there still has not been agreement from the EU on changing the protocol, which would fix the issues the right hon. Gentleman raised. We have seen the Belfast/Good Friday agreement undermined; we have seen the balance

upset in Northern Ireland; and we have not seen the Executive fully functioning since February. In the absence of being able to achieve a negotiated solution with the EU, we are bringing forward legislation, but I am very clear that I am hopeful that the EU will change its position and be prepared to enter negotiations on that, in order to fix the very real issues that the right hon. Gentleman mentioned.

On the response from the EU, I point out that our solution makes the EU no worse off. We have proposals to protect the single market and to ensure enforcement of the green and red lanes. I hope that it looks at our proposals in a reasonable way, just as we are putting them forward in a reasonable way, and that we can work together on a solution.

**Sir William Cash** (Stone) (Con): I commend my right hon. Friend on her excellent statement, and my right hon. Friend the Prime Minister on section 38 of the European Union (Withdrawal Agreement) Act 2020, which enables the Foreign Secretary's Bill to use our sovereignty, notwithstanding the protocol. Will she also ensure, through instructions to parliamentary counsel, that the Bill fully satisfies requirements when it comes to our sovereignty, the constitutional integrity of Northern Ireland within the United Kingdom, and the Good Friday agreement, and will she ensure that the European Court of Justice and EU law do not displace UK law? I also strongly urge her to take the advice of the Attorney General on matters of international law, despite siren voices to the contrary.

**Elizabeth Truss:** I thank my hon. Friend for his great expertise on this matter. To be clear, on the European Court of Justice, our solution is to have an arbitration mechanism in place, as we do for the trade and co-operation agreement, rather than having the ECJ as the final arbiter.

**Sir Jeffrey M. Donaldson** (Lagan Valley) (DUP): From the outset, the Democratic Unionist party warned this House of the consequences of the protocol, and that is why we opposed it from the beginning; we recognised the political and economic instability it would cause, and the harm that it would create for the Union.

Today's statement is a welcome, if overdue, step. It is a significant move towards addressing the problems created by the protocol, and towards getting power-sharing based on cross-community consensus up and running again. We hope to see progress on a Bill to deal with these matters in days or weeks, not months. As the legislation progresses, we will take a graduated and cautious approach.

We want the Irish sea border removed, and we want the Government to honour their commitment in the New Decade, New Approach agreement to protect Northern Ireland's place in the UK internal market. The statement today indicates that that will be covered in legislation that brings about revised arrangements. Under the Belfast/Good Friday agreement, power sharing can be stable only if there is cross-community consensus, but there is not consensus on this at the moment on the part of the Unionist community. We want the political institutions functioning properly as soon as possible, but to restore Unionist confidence, decisive action is now needed in the form of legislation, in order to repair

the harm that the protocol has done to the Acts of Union, and in order to put in place sensible arrangements that, in the words of the Queen's Speech, ensure the

“continued success and integrity of the whole of the United Kingdom...including the internal economic bonds between all of its parts.”—[*Official Report, House of Lords*, 10 May 2022; Vol. 822, c. 3.]

The words today are a good start, but the Foreign Secretary will know that actions speak louder than words. I welcome her commitment to decisive action in her statement to the House.

**Elizabeth Truss:** I thank the right hon. Gentleman. What everybody in Northern Ireland agrees on—all parties—is that the Northern Ireland protocol is not working, and we do not have cross-party consent to move forward. It is vital to restore the primacy of the Belfast/Good Friday agreement, which provided for power sharing in Northern Ireland to ensure that we have the consent of all communities. The Government's priority, above all else, is to protect peace and stability in Northern Ireland. That is our first duty as a sovereign Government of the United Kingdom.

**Chris Grayling** (Epsom and Ewell) (Con): We are hearing a lot in today's discussion about the legal position of the United Kingdom, but having read the protocol carefully, it seems to me that there is a real question mark around the legal position of the European Union. The protocol contains many caveats relating to the protection of community relations in Northern Ireland, none of which appears to be being fulfilled. Will the Foreign Secretary ensure that she takes proper legal advice about the EU's position, and that we do not just listen to all the comments about our position?

**Elizabeth Truss:** My right hon. Friend makes an important point. The issue with the protocol is that although we entered into it in good faith, it has not operated as we foresaw, and it is causing the real problems that we see in Northern Ireland today. That is why our No. 1 priority is to seek a negotiated solution with the EU, but in the absence of that option, it is important that we act now to restore the primacy of the Belfast/Good Friday agreement, so that we can restore the balance in Northern Ireland and ensure that all communities there are treated with esteem.

**Mr Ben Bradshaw** (Exeter) (Lab): Why should the hard-pressed public of the United Kingdom, facing an unprecedented cost of living crisis, pay even higher prices as a result of a trade war with our main trading partners because the Foreign Secretary and the DUP want to tear up the agreement that the Prime Minister negotiated and the Foreign Secretary voted for?

**Elizabeth Truss:** I am clear that our priority is to seek a negotiated solution with the EU, and none of the proposals that I have put forward makes the EU any worse off. We want a solution that works for the EU single market and for the UK single market. The reality is that the people of Northern Ireland are paying higher prices as a result of the operation of the protocol—for example, the Road Haulage Association says that it has caused a 34% increase in the cost of moving goods to Northern Ireland—so we are facing a real cost of living

impact in Northern Ireland. We want to fix the protocol to the benefit of both the United Kingdom and the European Union.

**Sir Robert Buckland** (South Swindon) (Con): Article 1 of the protocol makes it clear that that agreement is to be “without prejudice” to the Good Friday/Belfast agreement regarding the constitutional status of Northern Ireland. That means, surely, that the Good Friday agreement takes primacy over the protocol. If that is right, what evidence will my right hon. Friend bring forward to make it clear that change is necessary if we are to avoid a degrading in the constitutional order, and order generally, in Northern Ireland?

**Elizabeth Truss:** My right hon. and learned Friend makes an important point about the primacy of the Belfast/Good Friday agreement, which has been vital for peace and stability in Northern Ireland. It is our priority to restore that. As I said, we will set out our legal position in due course.

**Colum Eastwood** (Foyle) (SDLP): What we have heard from the Government today is absolutely astonishing. This morning, they announced that they will ride roughshod over the wishes of victims in Northern Ireland by ripping up an international agreement called the Stormont House agreement. The Foreign Secretary has now confirmed that she will go against the majority of citizens in Northern Ireland—who, despite what she might say, support the protocol—by ripping up an international agreement called the withdrawal agreement. It is a very simple question, despite what some who may not want to listen to the majority of people in Northern Ireland might say: how can any international partner or any citizen in the north of Ireland ever trust this Government again?

**Elizabeth Truss:** An overwhelming proportion of people in Northern Ireland—78%—agreed that the protocol needed to change in polling conducted in December 2021. It is simply not true to say that a majority of people in Northern Ireland support the protocol. As the hon. Gentleman knows, the Belfast/Good Friday agreement is based on power sharing and esteem for all communities, and we want—ideally with the EU—to find a solution that works for all communities in Northern Ireland.

**Sir Oliver Heald** (North East Hertfordshire) (Con): Last Thursday, the UK-EU Parliamentary Partnership Assembly met for the first time in Brussels, where we had a lively encounter between the Paymaster General and Commissioner Šefčovič. Members were able to ask about the sorts of points discussed today, and it was clear that Commissioner Šefčovič believed that there was a landing place for an agreement on these difficult matters. May I therefore urge my right hon. Friend to go the extra mile and see if we can get an agreement? If we could, that would open up opportunities for co-operation in energy, science and so many other things.

**Elizabeth Truss:** I assure my right hon. and learned Friend that that is absolutely what I want to do. I spoke to Commissioner Šefčovič last night, and I want to see a meeting of the Joint Committee immediately to discuss this issue. But, to fix the very real issues and change the situation on the ground in Northern Ireland, particularly

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on areas such as customs and tax where points are baked into the protocol, we need changes to the protocol. I have had numerous discussions with Maroš Šefčovič about that, but, as yet, there is not agreement for his mandate for change to include changes to the protocol. That is the fundamental issue that we are facing, but I am very, very willing to have those discussions. I will see the Irish Foreign Minister, Simon Coveney, later this week for further discussions. We are very open to resolving the issues between the UK and the EU, but we do need real acknowledgment of what is happening on the ground in Northern Ireland and of the fact that the protocol needs to change.

**Fleur Anderson** (Putney) (Lab): So much for getting Brexit done and so much for oven-ready. What is the cost of the proposed actions? The Treasury has drawn up economic impact assessments for this course of action. When will the Government release them for the House to see?

**Elizabeth Truss:** The solution that we are putting forward will actually save costs by reducing the bureaucracy that traders currently face when shipping goods into Northern Ireland. So our overall proposal benefits traders into Northern Ireland and the people of Northern Ireland; it does not make the EU any worse off, and it helps to protect the single market.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): I warmly welcome the statement, as I am sure will the Nobel laureate Lord Trimble, who wrote in a national newspaper this morning that it was urgent to address the problems of the protocol. As an architect of it with John Hume nearly a quarter of a century ago, he also raised the issue of the adverse influence of the European Court of Justice in Northern Ireland. Can the Foreign Secretary assure the House that under her sixth heading, which I think she called governance, she will take action on that issue as well?

**Elizabeth Truss:** I can assure my right hon. Friend that we will take action to ensure that the arbitration mechanism is in place for Northern Ireland, as it is in the trade and co-operation agreement, rather than having the ECJ as the final arbiter, which it is at present. He is right to highlight the article today by Lord Trimble. We need to go back to the original thinking behind the Belfast/Good Friday agreement, which was about treating the communities of Northern Ireland with equal esteem to make sure that we have successful arrangements in place to protect peace and political stability. That has to be this Government's priority.

**Stephen Farry** (North Down) (Alliance): The protocol represents Northern Ireland's soft landing from this Government's decision to have a hard Brexit. Let me be very, very clear: in Northern Ireland there is a majority of voters, MLAs and the business community who want to see the issues with the protocol addressed in a pragmatic way, through building trust and partnership with the European Union, and not through damaging unilateral action that will damage the UK's international reputation, including with the United States. Specifically on the European Court of Justice, does the Foreign

Secretary understand that if she tinkers with that jurisdiction it will force Northern Ireland out of the single market for goods and undermine Northern Ireland's ability to trap investment in terms of our dual access to both the European Union and Great Britain?

**Elizabeth Truss:** What we are proposing for Northern Ireland is a dual regulatory system that encompasses either EU or UK regulation as those businesses choose, which reflects its unique status of having a close relationship with the EU while being part of the UK single market.

**Sir Iain Duncan Smith** (Chingford and Woodford Green) (Con): I welcome my right hon. Friend's statement. The powerful article by Lord Trimble, one of the architects of the Good Friday agreement, makes it very clear that the maintenance of that agreement overcomes everything else. To that extent, it would be helpful if Opposition Members who bang on about this read the protocol. Article 13.8 makes it absolutely clear that the protocol can, through negotiation, be changed in whole or in part. The point, therefore, is that my right hon. Friend is quite correct. The EU now needs to step up to its responsibilities in the protocol and do what article 13.8 tells it to do.

**Elizabeth Truss:** My right hon. Friend is right. The protocol was never designed to be set in stone. What we have seen are the very real consequences of the protocol, which has not yet been fully implemented, on the ground in Northern Ireland. It has caused political instability and an imbalance in the relationship between the communities in Northern Ireland, and we need to fix that. My strong preference is for the EU to secure a change in its mandate so we can find a negotiated settlement. I completely agree with Commissioner Šefčovič that there is a landing zone to be had, but we need to see flexibility so we can really make sure that there is a proper green channel operating into Northern Ireland, that the people of Northern Ireland benefit from the same tax benefits as the people of Great Britain, and that we can fix those problems in a sustainable way.

**Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): With a cost of living crisis and rising tension in Northern Ireland, the last thing our country needs is a poisonous stand-off with the EU and the prospect of a trade war with our largest trading partner. Until recently, the Prime Minister himself was saying, "Don't worry, it's all okay, there will be no border down the Irish sea," and Ministers were incredulously parroting the line that we will only break international law in a limited and specific way. Does the Foreign Secretary agree that it is the pinnacle of incompetence or deceit for someone to negotiate and sign a deal when they have no intention whatever of honouring that deal?

**Elizabeth Truss:** As I have said, our priority is securing peace and stability in Northern Ireland, and restoring the primacy of the Belfast/Good Friday agreement. The protocol was agreed in good faith, but it has had unintended consequences. It is the responsibility of the United Kingdom Government to take action to restore the balance. Our preference is a negotiated solution with the EU. We think there is a landing zone to achieve that, but it requires the EU to change its mandate.

**Sir Bernard Jenkin** (Harwich and North Essex) (Con): May I just point out to my right hon. Friend that I only reluctantly voted for the protocol and the withdrawal agreement on the basis that we were not allowed to conclude a permanent trading agreement with the EU until we left and that it would be superseded or overtaken in due course? May I also just point out that apart from the disagreement about whether we should have legislation, there seems to be very broad agreement across the House, as there was when I proposed a motion to this House on 15 July last year, which the Labour party actually supported with very warm words, saying there were legitimate concerns among the Unionist community that had to be addressed? It is a shame that the Labour party will not will the means as well as the ends, but can I invite my right hon. Friend to engage with the reasonable elements of the Labour party to support her negotiating position so that we can reach a negotiated settlement?

**Elizabeth Truss:** I am very happy to engage with colleagues across the House, in particular to explain why there needs to be a change in the protocol itself to fix the issues about making a clear green lane between GB and Northern Ireland and on resolving the taxation issues. That is the fundamental issue in the negotiations with the EU, which we have conducted in good faith. I have had numerous negotiations and conversations with Commissioner Šefčovič over the past six months, but fundamentally the EU's mandate does not allow the changes to be made that would help us to create the green lane and the free flow of goods between GB and Northern Ireland, and to address the unfairness in the tax system whereby a cut in VAT on solar panels announced by the Chancellor cannot be implemented for the people of Northern Ireland.

**Layla Moran** (Oxford West and Abingdon) (LD): However the Foreign Secretary may dress it up, unilaterally changing a previously agreed international treaty is breaking it, and it is doublespeak to suggest otherwise. The consequences are real: ordinary families up and down this country will have higher prices to pay because of a trade war. Will she take this opportunity to be honest with the British people? If we get to the point where tariffs are raised as a result of a trade war with the EU, how much will they have to pay? Or does she not care?

**Elizabeth Truss:** We are very clear that the Bill is legal in international law and, as I have said, we will set out our legal position in due course. Our proposals, which we will outline in more detail over the coming weeks, are very clear about how we protect the EU single market. Currently, businesses in Northern Ireland and Great Britain are facing increased costs as a result of the Northern Ireland protocol. Our proposals would deal with those costs while protecting the EU single market. The EU will be no worse off as a result of our proposals.

**Scott Benton** (Blackpool South) (Con): There is genuine anger in the loyalist community about the protocol and the way in which many people feel it undermines their British identity. Now it has been unanimously rejected at the ballot box by the Unionist community, what assurances can my right hon. Friend give me that if the negotiations continue to fail we will see a Bill in this House in the coming days and weeks, not months?

**Elizabeth Truss:** We are committed to introducing a Bill to resolve the very real issues on the ground in Northern Ireland. In parallel, we are open to negotiations with the EU, but in order to proceed on those negotiations the EU does have to be willing to change the protocol itself to fix those very real issues.

**Paul Blomfield** (Sheffield Central) (Lab): The Foreign Secretary knows that there were only three ways of protecting Northern Ireland's special position after Brexit: a land border on the island of Ireland, which we all reject; closer alignment between the UK and the EU, which business wanted but the Government rejected; and a sea border. The Prime Minister chose a sea border. He knew the checks that that would involve, but he denied it to the Unionist community. There are solutions that can be negotiated, but is not the reason for today's statement that the Government and the Foreign Secretary, for reasons of her own ambition, see advantage in fuelling Brexit divisions?

**Elizabeth Truss:** I do not agree with the hon. Gentleman's analysis. There is a solution, which we have put to the EU. Commercial data that is collected in the normal course of business can be shared, in real time, with the EU as well as making sure that there are strong protections on the trusted trader scheme so that any untoward activities are acted against. We can do all that, make that happen and protect the EU single market, while, at the same time, enabling the free flow of trade. What we need, though, is flexibility in the EU's mandate so that it is prepared to change the protocol. As many in the House have said, the protocol was never intended to be set in stone, but it is our duty, as the United Kingdom Government, to act to restore peace and stability in Northern Ireland.

**Mr Steve Baker** (Wycombe) (Con): I agree with what my hon. Friend the Member for Harwich and North Essex (Sir Bernard Jenkin) said about the deal we signed up to. Some of us were always clear this was a tolerable path to a great future. The thing that made it only tolerable was that we knew that this was unfinished business. Today, we face just the problems that the protocol foresaw. As my right hon. Friend the Foreign Secretary said, the protocol has provision for it to be changed. As I welcome this as the right solution for the way forward—and what nonsense we have heard; this is a solution that could be negotiated—I ask her to repeat once again that we will protect the EU's legitimate interests as we restore the primacy of the Good Friday agreement and the constitutional integrity of the UK.

**Elizabeth Truss:** My hon. Friend is absolutely right. We have established the trusted trader scheme and the sharing of commercial data with the EU. What we are proposing, as part of this Bill, is proper enforcement to make sure that the EU single market is protected. In our view, that is the best solution; it makes sure that there is free flow of trade between Great Britain and Northern Ireland while, at the same time, protecting the EU single market. As we have heard across the House, people recognise that there are real issues with the Northern Ireland protocol. My No. 1 preference is to get a negotiated solution with the EU, but it has to be willing to look at these types of pragmatic solutions that will both protect the EU single market and the sovereignty and territorial integrity of the United Kingdom.

**Ian Paisley** (North Antrim) (DUP): The Foreign Secretary must be alarmed at the comments that emerged this morning from the chairman of Marks & Spencer. He has already had to close his business in France. His business in the Republic of Ireland is about to close—*[Interruption.]* Oh, he is a Conservative; therefore, he should not be doing business—that seems to be the Liberal view emerging. To export goods, his business in the Republic of Ireland has to fill in 700 pages within an eight-hour period. It has to do some of the wording in Latin to satisfy the European Community, and it also has to be typed in a certain font or it will not be allowed. It costs him an additional £30 million. He said on the radio this morning that the EU told him that it would like the same procedures for his businesses in Northern Ireland. This is a power grab. People talk about a trade war—this is a trade war to crush business in Northern Ireland. Will the Foreign Secretary ensure, when she is speaking to the Cabinet, that it knows clearly that if it keeps the protocol, power sharing is not coming back?

**Elizabeth Truss:** I have been very clear in my statement that we are bringing forward legislation to sort this issue out and to deal with the bureaucracy that we are seeing—the requirement for customs declarations and customs codes from businesses that are simply operating within the United Kingdom. That is why we want to create the green lane that allows properly protected goods to move freely within the United Kingdom, and we are committed to that legislation. In the meantime, if the EU is prepared, in parallel, to move to a negotiated settlement to resolve the very issues that the hon. Gentleman raises, we are of course open to those talks, but we will not allow it to delay our taking the action we need to take to restore the primacy of the Belfast/Good Friday agreement.

**Dr Andrew Murrison** (South West Wiltshire) (Con): In the last Parliament, the Northern Ireland Affairs Committee, under my chairmanship, produced a comprehensive set of alternative arrangements that were workable and high-tech and that would erase the need for the current perniciously applied checks that most in this House agree are unnecessary. Given that they would satisfy the EU's stated objections, why does she think that the EU have stonewalled them?

**Elizabeth Truss:** I am not going to speculate as to why the EU has not changed its negotiating mandate, but it is very clear that there is a solution—my right hon. Friend worked very hard on that—that satisfies the requirement to protect the EU single market and, at the same time, restores the primacy of the Belfast/Good Friday agreement. We need to make sure that we move forward as fast as we can to that solution.

**Stephen Timms** (East Ham) (Lab): To make his EU deal work, the Prime Minister inserted a border between Great Britain and Northern Ireland. Some accepted the absurd claim that there would not be any checks across that border. That misjudgment has proved electorally disastrous and potentially fatal to the Union. The Foreign Secretary has announced today that the Government may well breach the agreement that the Prime Minister negotiated. What assessment has she made of the impact of that announcement on trade negotiations that are under way with other countries around the world?

**Elizabeth Truss:** As we have heard from Members on both sides of the House, there are very real issues about the way the Northern Ireland protocol is working. We need to fix the Northern Ireland protocol. Our preference is for a negotiated solution, but if that is not possible, we are putting legislation through the House of Commons and through Parliament. As I said, we are clear that the Bill is legal in international law, so there is no question of violating international law.

**Damian Green** (Ashford) (Con): Depending on which newspaper I have read over the past two days, I can understand either that the Government want to tear up the protocol altogether or that they see this proposal as an insurance policy while negotiations continue. My right hon. Friend has been clear this morning that the latter interpretation would be correct. I welcome that very much and ask her to try to ensure that, while the negotiations are going on, there is some consistency in Government messaging that, actually, a negotiated settlement would be preferable.

**Elizabeth Truss:** There are some things that are within my powers and some things that are not, and controlling what the British media print is simply not within my power. We are very clear that we are not about scrapping or tearing up the protocol. We want to change the protocol, ideally working with the European Union, but the mandate does have to change to get the changes on the ground that we need to see. In the absence of that, the legislation will ensure that those changes are made. There is provision specifically in the legislation to implement a negotiated solution; I was very clear about that in my statement.

**Joanna Cherry** (Edinburgh South West) (SNP): Last week it was reported that the Attorney General has provided legal advice as part of the background to this Bill. I have no doubt that that will be based on her views on parliamentary sovereignty and the supremacy of domestic law, with which she previously favoured this Chamber the last time we were planning on breaking international law. The hon. Member for Stone (Sir William Cash) says that we should ignore “siren voices to the contrary”, but the difficulty for the Foreign Secretary, the Attorney General and the hon. Member for Stone is that the siren voices to the contrary include the United Kingdom Supreme Court. Has the Foreign Secretary read paragraph 55 of the judgment in the first Miller case, which was about triggering article 50, in which the Supreme Court is clear that international treaties signed by the UK Government are binding on the UK in terms of international law and that, as such, our obligations under them cannot be unilaterally rewritten? Is she aware of that?

**Elizabeth Truss:** We fully respect the rule of law, and we are very clear that this Bill is in line with international law.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. I realise the importance of this statement, but I inform Members that we have a very well-subscribed debate to follow, so it would be helpful if we could have brief questions.

**Sir Desmond Swayne** (New Forest West) (Con): What is absolutely clear is that those hon. Members seeking to undermine the Government's negotiating position have not emerged from the trenches they dug themselves in the last Parliament, have they?

**Elizabeth Truss:** What I think we have heard today is that Members on both sides of the House agree that there is a real problem with the way the Northern Ireland protocol is operating, and that needs to be solved. I hear people saying that they want to get an agreed solution with the EU. I hope that the EU will change its negotiating mandates so that we are able to achieve that.

**Kevin Brennan** (Cardiff West) (Lab): The Foreign Secretary made it clear that one of her primary reasons for acting in this way is to try to get the Executive back up and running in Northern Ireland. However, she also said in her statement that the Bill

"ensures that goods destined for the EU under the full checks and controls",

so there will still be checks. On that basis, has she received an assurance from the DUP that, even with these continued checks, it will agree to re-enter the Executive?

**Elizabeth Truss:** I have been clear that our No. 1 priority is to restore the balance in the Belfast/Good Friday agreement, which has been undermined by the operation of the protocol. What we are proposing—and I will be bringing out more details on this in due course—is a green lane of trusted traders that is properly protected for goods into Northern Ireland, and a red lane for goods that have to go through the full customs controls into the EU single market. I am very clear that, as well as the protection of the UK single market, part of our agreement is the protection of the EU single market.

**Sir Robert Neill** (Bromley and Chislehurst) (Con): I particularly welcome the Foreign Secretary's repeated insistence on her intention for a negotiated settlement. Echoing the words of my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald), I emphasise that that is important not just in terms of the overall objective but in terms of the United Kingdom's international reputation and our ability to demonstrate that we act with the greatest concern for our legal obligations. Will she consider making available in due course the draft of any proposed legislation, so that those of us who wish to work constructively with the Government to make sure that we do this lawfully can test the proportionality of the measures against the objectives and the legal advice she has received?

**Elizabeth Truss:** As I have said, our priority is to secure a negotiated solution. It will require the EU changing its mandate, and I hope that, following today's statement and the comments by Members right across this House, we will see some more flexibility from the EU. We are committed to acting in line with international law—we are very clear about that. We will set out our legal position in due course, and I am very happy to have more discussions with my hon. Friend about the precise contents of the Bill.

**Mr Gregory Campbell** (East Londonderry) (DUP): The Secretary of State referred to the need to ensure that there is no hard border on the island of Ireland. Does she accept that there is no possibility that that could happen? It is simply not practical or possible. There is no political consent for it and it would be easily avoided if it were to come about. That is a nonsense that needs to be dismissed.

In terms of cross-community consensus, can the Secretary of State assure the House and the people of Northern Ireland that her Bill will be placed before Parliament before the summer recess, so that people can see what progress—practical rather than words—has been made?

**Elizabeth Truss:** I am very clear that we will be bringing the Bill out in the coming weeks. That is an important priority for this Government and we understand that we cannot see any more delay. We have already had 18 months of negotiations on this issue with the EU. Regrettably, we are not yet in a position where the EU is willing to consider changing the protocol. That is why we are obliged to take forward the Bill. During that time, as I have been very clear, we remain open to negotiations, provided that there is a willingness to address the real issues on the ground in Northern Ireland.

**Mr Peter Bone** (Wellingborough) (Con): Members will remember the years of negotiating under the previous Prime Minister to try to withdraw from the European Union. That process was dragged out by the European Union, and it was only when we had a new Prime Minister, who acted decisively, that we withdrew from the EU and got a free trade agreement without any quotas. May I suggest to the Foreign Secretary that she should publish this Bill straightaway and get on with it, because the only way we will get the EU to come to the negotiating table and really negotiate with us is if we threaten them with that Bill? Can she be more precise about exactly when the Bill will be published—will it be next week or the week after?

**Elizabeth Truss:** I agree with my hon. Friend. It is urgent that we act and I assure him that the Bill is coming in the following weeks.

**Stella Creasy** (Walthamstow) (Lab/Co-op): Businesses and communities dealing with the consequences of Brexit need honesty and certainty, not the chaos and confusion of a potential trade war, so will the Foreign Secretary reassure them? She has repeatedly said today that what she intends to do is in line with international law and has talked about the trade and co-operation agreement. I know that she will not as yet publish the legal advice, but will she tell us which international laws she intends to abide by, what the adjudication mechanism might be, and whether the EU has agreed to it?

**Elizabeth Truss:** As I have made clear, our proposals are legal in international law and we will set out the legal position in due course.

**Mr David Jones** (Clwyd West) (Con): The Foreign Secretary has put forward sensible and practical proposals for protecting the integrity of the EU single market, and they could be quite easily reciprocated by the European Union. Has she put the proposals to Mr Šećković? If so, what was his response? If he has refused to accept them, what reason has he given?

**Elizabeth Truss:** I have put these proposals to Vice-President Šefčovič and we have had extensive discussions about how we make sure that both the UK single market and the EU single market have been protected. The issue for the European Commission in terms of accepting our proposals is that his mandate does not extend to changing the protocol, so he is unable to accept the proposals on that basis.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): What the Foreign Secretary and her Government are proposing will impact on all of our constituents, so will she explain to the people of Inverness, Nairn, Badenoch and Strathspey how unilaterally breaking an international treaty and potentially sparking a trade war will help them with the £20 price increase they currently face on their average weekly shop?

**Elizabeth Truss:** Our priority in putting forward this legislation is to protect the hard-won peace and stability inherent in the Belfast/Good Friday agreement. That is our priority and that is why we are taking this Bill forward. We are very clear that the EU is no worse off as a result of the proposals, which protect the EU single market and make sure that there is no irregular activity.

**Kelly Tolhurst** (Rochester and Strood) (Con): I welcome my right hon. Friend's statement. Sadly, last week at the UK-EU Parliamentary Partnership Assembly, Vice-President Šefčovič used incredibly disappointing language in relation to the UK. Does she agree that it is incumbent on the EU to enter into sensible negotiations with the United Kingdom to find practical and deliverable solutions to the real problems faced by the people of Northern Ireland? It is incumbent on us and the EU to work together to deliver for the people of Northern Ireland.

**Elizabeth Truss:** We have engaged in negotiations with the EU in good faith. We want to achieve the practical solution in all the areas that I laid out, including customs, taxation and governance. Fundamentally, that requires a new mandate, so that we can see the increased flexibility that will deliver for the people of Northern Ireland.

**Sammy Wilson** (East Antrim) (DUP): I welcome Foreign Secretary's commitment to address the issue, but I urge her not to give in to those who today in this House have shamelessly almost urged the EU to engage in a trade war with the UK; who have urged her to dismiss the views of the majority Unionist community, contrary to the Good Friday agreement; and who have ignored the fact that the EU has not acted in good faith and lived up to its commitments to seek alternative arrangements to the Northern Ireland protocol. Does she realise that, given the broken promises of the past, we can only judge what has been said today when we see a Bill progress through the House that outlines the points that she has made?

**Elizabeth Truss:** We are committed to bringing forward legislation to deal with this very real issue that is upsetting the balance of the Belfast/Good Friday agreement. That is why I am making this statement and why we are clear that we need to act.

**Mr Marcus Fysh** (Yeovil) (Con): Does my right hon. Friend agree that the priority that she has given to the Belfast agreement is correct, and that the reasonable

evolution of the protocol that she is proposing would not make the EU worse off, but would be better than its other border arrangements—for example, its trade arrangements on its eastern flank, with Belorussia?

**Elizabeth Truss:** My hon. Friend makes an important point. Our proposals would secure the single market and allow data sharing, which we are already doing on commercial data, on goods crossing the Irish sea. They also include strong enforcement provisions that compare very favourably with other customs arrangements around the world.

**Stephen Kinnoek** (Aberavon) (Lab): A veterinary agreement would remove the vast majority of barriers to trade between GB and Northern Ireland, and is widely supported—by farmers, fishermen, the five parties in Northern Ireland, the European Union and the United States Government. Will the Foreign Secretary please explain why she has failed to agree a veterinary agreement with the European Union, as that is surely the pragmatic solution that she keeps saying she wants?

**Elizabeth Truss:** Various issues in the protocol are preventing the free flow of trade between GB and Northern Ireland, including customs codes. I want a comprehensive solution that creates a green channel in which commercial data is shared.

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): International agreements are renegotiated and reopened all the time. Indeed, the European Union is a persistent and repeat renegotiator of international agreements—so much so that it was written into the protocol that it could be renegotiated. I also heard Maroš Šefčovič say last week that we could get to a landing zone on the issue, but it is quite clear that the EU's over-zealous interpretation of some elements of the protocol and his lack of a mandate to get us there is preventing us from making our way to that landing ground. Does my right hon. Friend agree that the legislation that she is proposing is the only way in which we can ensure the primacy of the Belfast/Good Friday agreement and the integrity of our United Kingdom?

**Elizabeth Truss:** Our proposals, which deal with customs bureaucracy and tax inequality, are ultimately the solution we need to deliver. If the EU has a new mandate and is prepared to look at those things, I am very clear that there is a landing zone with the EU. In the absence of that new mandate, we have to act, because this is about protecting the Belfast/Good Friday agreement and the balance between the communities in Northern Ireland. Ultimately, it is about protecting the entire United Kingdom.

**Amy Callaghan** (East Dunbartonshire) (SNP): The Prime Minister told this House in 2019 that the protocol that he negotiated was a

“great success for Northern Ireland...fully compatible with the Good Friday agreement.”—[*Official Report*, 19 October 2019; Vol. 666, c. 581.]

So to be clear, why are the Government now abandoning their oven-ready Brexit deal?

**Elizabeth Truss:** The protocol was agreed in good faith by the Prime Minister, but it has had unintended consequences. It is the duty of the Government to restore the balance in the Belfast/Good Friday agreement.



**Marco Longhi** (Dudley North) (Con): I warmly welcome the Foreign Secretary's statement. Does she agree that, although we have heard many reasoned and well-evidenced examples from Opposition Members as to why the protocol is not working, we have not heard a single example—except for a veterinary agreement, I think—that shows the path towards solving any of the problems, other than saying that whatever she and this Government do must be wrong, obviously. Will she assure me that the proposed legislation will deal with all these complex matters and put to bed, once and for all, the issues in Northern Ireland for the benefit of the people of Northern Ireland, as one United Kingdom?

**Elizabeth Truss:** The provisions in our Bill will do just that. We have heard acknowledgement from the Labour party that there are real concerns about the way in which the Northern Ireland protocol is operating, but we need to move to the solution, which requires the EU to change its mandate and the terms in the protocol itself. Otherwise, we cannot address the customs and tax issues. I urge the Opposition to look at that in more detail.

**Gavin Robinson** (Belfast East) (DUP): I sincerely lament that there are some MPs today—particularly from Northern Ireland—who have introduced a level of majoritarianism. That is not going to work in Northern Ireland; it is not how our system operates.

I welcome the Foreign Secretary's statement and the work that the Northern Ireland Secretary has engaged in for some time. The House is aware of the White Paper that was published last summer and aware that the conditions to trigger article 16 had been met, and it is now fully aware of the constitutional imperative—for good governance and democracy in Northern Ireland—that this matter is resolved. I implore the Foreign Secretary, in recognising that urgency, that weeks and weeks for the introduction and passage of legislation is not quick enough; we need to see movement now.

**Elizabeth Truss:** I am giving this statement to the House today because we are bringing forward legislation in the coming weeks to address the precise issues mentioned by the hon. Gentleman. He is right that, ultimately, the Belfast/Good Friday agreement is founded on power sharing and respect for all communities in Northern Ireland, and that is what we are reflecting in our proposed solutions.

**Greg Smith** (Buckingham) (Con): I welcome the Foreign Secretary's statement. The path that she has set out is exactly the right one, but there have been 18 months of negotiations so far, which have been met with what Lord Trimble describes in an article today as a “brick wall of intransigence”. Although a negotiated agreement is indeed the preferable solution, the protocol and its interpretation by the EU today are throwing up serious consequences for the Good Friday agreement, our economy and our Union, so will my right hon. Friend set a deadline by which the negotiations must be completed?

**Elizabeth Truss:** To be clear with my hon. Friend, we are bringing forward legislation in the coming weeks that will progress through Parliament as legislation normally does. In parallel, if we are able to reach a negotiated solution with the EU, which will require it to

change its mandate, we can put that solution into the Bill by the time it gets to Royal Assent, but we will not allow the negotiations to slow down the path of legislation. That is important, because the situation is urgent. We have already had 18 months of negotiations that have not yet borne fruit, so we cannot allow any more delays.

**Caroline Lucas** (Brighton, Pavilion) (Green): Can I press the Foreign Secretary on why she is laying the ground for a trade war with our largest trading partners just as the Bank of England is warning of an “apocalyptic” rise in food prices? Those are the tactics she is using and the threats she is making. Will she meet the UK Trade and Business Commission to discuss our recommendations for a way of removing the bulk of checks in the Irish sea with a veterinary agreement and standards protection? The hon. Member for Aberavon (Stephen Kinnock) has made that same point. The Foreign Secretary says that she wants a wider agreement, but why not start with that veterinary agreement and with standards—unless she is in fact aiming to dilute and remove standards?

**Elizabeth Truss:** I am very clear that our proposed solution reduces bureaucracy all round. It will make the EU no worse off, in that we will continue to protect the single market, supply the commercial data and have strong enforcement mechanisms. I am very happy to hear the hon. Lady's ideas in more detail, but the fundamental issue is that the customs requirements that are baked into the protocol are creating this bureaucracy, and without changing the protocol we are not able to deal with that.

**Robin Millar** (Aberconwy) (Con): I warmly welcome my right hon. Friend's statement and her determination to see progress. I also welcome the point made by many Members that change is necessary. Does she agree that we share the common goals of maintaining economic prosperity for Northern Ireland and preserving the Belfast/Good Friday agreement and the integrity of our respective Unions? Does she think that a focus on those goals is the key to getting through the next months?

**Elizabeth Truss:** My hon. Friend makes a good point. We share those goals, and I know that everyone in this House is committed to the Belfast/Good Friday agreement. I have heard many across the House express an understanding of the problems that the Northern Ireland protocol is causing, and I think that where there is disagreement it is on how we pursue those goals. As I have said, I am open to a negotiated settlement, but it does require changes to the protocol. We cannot allow any further delay that would have a worsening effect on the position in Northern Ireland and further undermine the Belfast/Good Friday agreement.

**Wera Hobhouse** (Bath) (LD): Brexit is already making people poorer, and the Government are now risking plunging the UK into a trade war with our closest neighbour and biggest trading partner. For farmers in Somerset and Devon, this will be a disaster. The Foreign Secretary has already sold farmers down the river when she was International Trade Secretary. Is she prepared to do the same again to farmers across the south-west who are already teetering on the brink?

**Elizabeth Truss:** I do not agree with the hon. Lady's characterisation of my time as Trade Secretary, when we opened new opportunities for British farmers around the world. I have always believed that the food Britain produces is so excellent that it is well capable of competing with other offers around the world.

**Jack Brereton** (Stoke-on-Trent South) (Con): Does my right hon. Friend agree that we should send a clear message to those in Brussels who would wish to see us backslide on Brexit or undermine and break up our precious Union that this will never be acceptable to this Government?

**Elizabeth Truss:** I have been clear that our priority is restoring the balance of the Belfast/Good Friday agreement. While our preference is to secure a negotiated outcome with the European Union, we cannot delay in taking the action we need to take to restore that balance in the Good Friday agreement and protect our precious Union.

**Barry Gardiner** (Brent North) (Lab): The emergency safeguarding measures are provided with a legal basis under the protocol, but under the protocol they can only be temporary. The problem the Secretary of State has is that there is no legal basis within the protocol for a permanent change. She says that she wants a negotiated settlement, and of course we would all seek that, but how is the Bill that she proposes to introduce unilaterally in this House going to change the position in international law, which is that she cannot unilaterally abrogate the treaty that she has signed?

**Elizabeth Truss:** As I have said, the Bill is legal in international law and we will set out the position in due course.

**Dr James Davies** (Vale of Clwyd) (Con): I thank my right hon. Friend for her statement. Will she comment on the transfer of data within the UK's trusted trader scheme to the EU and on how could that process be further improved?

**Elizabeth Truss:** We are already sharing large amounts of data that we collect as part of the trusted trader scheme with the EU to give reassurance that trade is not being diverted from the GB-Northern Ireland route into the EU. We want to build on that with enforcement measures so that those violating the trusted trader scheme are not allowed to continue to do so.

**Paul Girvan** (South Antrim) (DUP): I am just wondering where we would be to today if the DUP had given in and set up an Executive. Would we be in this position where we can start—I call this a start—to try to redress some of the problems with the Northern Ireland protocol?

I want to highlight one area. Many people in Northern Ireland have seen the protocol as the introduction of a surrender Act for Northern Ireland to become part of an all-Ireland economy. That has created its own difficulties. Many Members have focused on measures to do with veterinary medicine and food, but this affects every aspect of our economy, and I am mainly worried about the constitutional position and the message that that has given to Northern Ireland. To those who have seen it as a surrender Act, I am telling them today: it is no surrender.

**Elizabeth Truss:** There are fundamental issues that have been exposed since the protocol came into being that have damaged the east-west relationship for Northern Ireland, which is a key tenet of the Good Friday agreement. Those issues will have to be fixed; otherwise, they will be a running sore.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): If the Foreign Secretary had some self-awareness, she would realise that saying that the protocol had unintended consequences, and that the EU needed to change because it had somehow acted in bad faith by upholding the deal that the UK Government negotiated, was a ridiculous argument. If she has such an obvious customs solution that will not cost companies any more in IT roll-out, that will actually save companies money in the UK and Europe and that will protect the European single market, why does she not publish her proposals now, if they are so obvious and easy to move forward on?

**Elizabeth Truss:** I have explained the outline of the proposals, and I will be publishing more details in due course.

**Claire Hanna** (Belfast South) (SDLP): It is curious that the Foreign Secretary chose to quote polling rather than the fresh election results that show a comfortable majority of people supporting the protocol and an even larger majority rejecting the idea of holding the institutions to ransom. She is misrepresenting our position and that of the people of Northern Ireland, who want the protocol as a protection from Brexit. While they are happy to see it evolve, they know that there was not a whisper about consent or consensus when the Conservatives and the DUP were voting gleefully for ever-harder versions of Brexit. Where there is unanimity, it is in distrust of the cynical approach of this Government. When will this Government stop using our fragile shared society for their own malign political needs?

**Elizabeth Truss:** The hon. Lady knows that the Belfast/Good Friday agreement is based on the principle of power sharing. That requires the consent of all communities in Northern Ireland, and that is what we seek to achieve with the legislation we are putting forward.

**Carla Lockhart** (Upper Bann) (DUP): Other Members have referenced Lord Trimble's article in which he says that the Government must now

“act on its responsibility to safeguard the future of Northern Ireland and replace this damaging and community-splitting protocol”.

With his comments in mind, one really wonders what John Hume would make of the divisive and majoritarian approach of his successor, the hon. Member for Foyle (Colum Eastwood).

The Foreign Secretary's statement is welcome. It correctly identifies some of the fundamental problems with the protocol and the need to act in the absence of agreement with the EU. Given that she has accepted the need to address these issues urgently, does she understand that good intentions for another day will do nothing to address the urgent problems we face, and that we need to have words backed up by actions immediately?

**Elizabeth Truss:** As I said, we will be bringing forward legislation in the coming weeks.

**Christine Jardine** (Edinburgh West) (LD): Does the Foreign Secretary appreciate the extent of the frustration and anger not only on this side of the House but in the country? She talks about the unintended consequences of an agreement that this Government signed and were warned would have exactly these consequences, and she talks of protecting our precious Union. Does she appreciate that a unilateral withdrawal from the Northern Ireland protocol would have serious implications for the Union she seeks to protect?

**Elizabeth Truss:** Let me be clear that we are not talking about withdrawing from or scrapping the protocol. What we are talking about is legislating to fix the specific issues in the protocol that are causing problems in Northern Ireland.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): It is not just about how people in Northern Ireland voted recently. In August 2016, the former DUP First Minister wrote to the UK Government calling for a special position for Northern Ireland, and people supported that. Issues have been raised about supermarket goods, and anyone who has been to Northern Ireland recently, as I have, will realise there are pragmatic issues to solve, but they need to be solved with the EU. Exactly how do unilateral threats and legislation build the trust and good will necessary to get to the best outcome?

**Elizabeth Truss:** I believe there is a landing zone and a negotiated outcome that can work for the people of Northern Ireland, for the UK and for the EU, but that landing zone requires a change of mandate. We have now had 18 months of discussions with the EU, which has not yet agreed to change the protocol. The protocol was never designed to be set in stone, and we have seen that it is not working for the people of Northern Ireland. Of course I encourage a pragmatic solution, and I encourage more flexibility from the EU, but we cannot allow the situation in Northern Ireland to deteriorate by not taking the action we need to take now to fix the protocol.

**Jim Shannon** (Strangford) (DUP): I thank the Secretary of State for her statement and for her clear attempt to find a way forward, which we all want.

There is rising anger in Northern Ireland in relation to the Northern Ireland protocol. The hon. Member for North Dorset (Simon Hoare) said on the radio this

morning—I notified him at 10.46 am that I would be mentioning him—that filling out a form to buy something should not make someone less British, which illustrates his woeful misunderstanding of the Unionist position and, further, undermines his ability to act impartially as Chair of the Northern Ireland Affairs Committee.

Does the Secretary of State agree that this is precisely why tensions have been escalating? And does she understand that this typifies why the Unionist community my party represents has lost faith, and that words cannot restore that faith? As I think she is saying, we need to see concrete legislation and less harmful discourse.

**Elizabeth Truss:** We are very clear that we need to restore the balance of the Belfast/Good Friday agreement, and we need to ensure that all communities in Northern Ireland are treated with esteem.

**Brendan O'Hara** (Argyll and Bute) (SNP): We spent so much time debating the Northern Ireland protocol that this Government could not have been unaware of a single dot or comma. Were they simply unable to understand the implications of their own protocol deal, or did the Prime Minister present his oven-ready Brexit deal knowing that he would end up deliberately breaking international law? Is this Government stupidity or Government duplicity?

**Elizabeth Truss:** We negotiated the Northern Ireland protocol in good faith, and I have been negotiating with Maroš Šefčovič in good faith, but we have seen real consequences for the people of Northern Ireland that need to be addressed.

**Hywel Williams** (Arfon) (PC): Under the current Brexit arrangements, freight trade through Holyhead is down 34%, whereas north-south trade in Ireland is up by 34% and south-north trade is up by 49%. Does the Foreign Secretary accept that such economic fundamentals argue against her taking precipitous unilateral action on the protocol?

**Elizabeth Truss:** Those figures demonstrate that there has been trade diversion in Northern Ireland, and they demonstrate that we need to restore the balance of the Belfast/Good Friday agreement to make sure east-west is treated with equal esteem to north-south.

## Points of Order

2.15 pm

**Anneliese Dodds** (Oxford East) (Lab/Co-op): On a point of order, Madam Deputy Speaker. I humbly beg your advice on a matter of significant importance. On 25 February 2019, my hon. Friend the Member for Aberavon (Stephen Kinnock) wrote to the then chair of the Conservative party, the right hon. Member for Great Yarmouth (Brandon Lewis), expressing genuine concerns regarding issues of sovereignty and national security related to the activities of the then Conservative party treasurer, Sir Ehud Sheleg. The right hon. Member responded that my hon. Friend should consider any accusations he was making against an individual carefully so as not to risk libel, with the implication that legal action would be forthcoming should he pursue his genuine concerns.

Last Thursday, however, an article in *The New York Times* suggested that my hon. Friend was right and that there are genuine questions to answer about whether a donation from Sir Ehud to the Conservative party complied with UK law, given that it appeared to have originated from Sir Ehud's father-in-law, Sergei Kopytov, a former senior pro-Kremlin politician in Ukraine and apparent owner of significant assets in Crimea.

Additional serious questions arise. Did Sir Ehud host a reception with the Russian ambassador to the UK following the annexation of Crimea? Are assets apparently owned by Mr Kopytov, such as a Mercedes-Benz car, used by individuals involved in the Russian state? Did the bank transfer at issue in the *New York Times* article originate from a Russian bank? Were sanctioned entities involved? Exactly what current and former links do the Sheleg-Kopytov family hold with key actors in the Russian state? Finally, has electoral law been broken and, relatedly, has our national security been compromised?

I have written to the current co-chair of the Conservative party, the right hon. Member for Hertsmere (Oliver Dowden), asking for an apology to my hon. Friend the Member for Aberavon and, above all, for a response to these very important questions. However, when I have previously written to the right hon. Gentleman—I have written to him six times—I have never received a response. I live in hope of a response this time but, should I not receive one in the coming days, what recourse might I have, given the gravity of these matters?

**Madam Deputy Speaker (Dame Rosie Winterton):** I thank the hon. Lady for her point of order. First, I assume that she has notified the right hon. and hon. Members named.

**Anneliese Dodds** *indicated assent.*

**Madam Deputy Speaker:** I am afraid that correspondence between Members on a party basis is not a matter for the Chair. I am sure that the hon. Lady knows, or will acquaint herself with, the many ways of pursuing the substantive point in proceedings, as well as by perhaps raising concern with the Electoral Commission, given what she has said.

**Daisy Cooper** (St Albans) (LD): On a point of order, Madam Deputy Speaker. On Wednesday 27 April, I asked the Prime Minister, at Prime Minister's questions, whether he would apologise to bereaved families and

care workers in the light of the High Court ruling that the Government had broken the law when in 2020 they discharged patients to care homes without testing them for covid first. I believe that in his response he inadvertently misled the House, by claiming that

“the thing we did not know in particular was that covid could be transmitted asymptotically”—[*Official Report*, 27 April 2022; Vol. 712, c. 762.]

This matter was raised as a point of order by the hon. Member for Bristol West (Thangam Debbonaire) on Thursday 28 April. Madam Deputy Speaker, I appreciate that you are not responsible for the content of the Prime Minister's speech, but I am sure that none of us wants the record to be inaccurate. As such, I was wondering whether you had received any indication from the Prime Minister that he intends to correct the record, for example at the start of Prime Minister's questions tomorrow. If not, what further avenues might be available to me and other Members to ensure that the Prime Minister returns to the House and corrects the record, if he chooses not to do so when he appears tomorrow?

**Madam Deputy Speaker:** I thank the hon. Lady for her point of order. First, I have not received any notification about anything the Prime Minister might be saying tomorrow. As she knows and indeed mentioned, this matter was raised on 28 April, and I am afraid there is nothing further I can add to the response given then.

**Dr Andrew Murrison** (South West Wiltshire) (Con): On a point of order, Madam Deputy Speaker. On 3 March, the World Health Organisation's Intergovernmental Negotiating Body opened talks on securing global arrangements in respect of its management of future pandemics. Given the far-ranging implications of such a thing, and the fact that on 1 August that body will meet again before bringing forward formal proposals, what indication have you had that a Minister will attend the House to outline the Government's position?

**Madam Deputy Speaker:** I thank the right hon. Gentleman for his point of order. I have not had any indication and do not know anything about whether the Government wish to make a statement on this subject, but I am confident that Ministers on the Front Bench will have heard the points he has made and I am sure they will be fed back through the appropriate channels.

**Danny Kruger** (Devizes) (Con): On a point of order, Madam Deputy Speaker. Today's *Daily Mail* carries a story that Dignity in Dying, the campaign group that wants to bring assisted suicide to this country, has been boasting to its donors that it can buy a debate in this place. It suggests that for £40,000 it can secure the 100,000 signatures that are required for a petition to get a debate on the Floor of the House. Can you advise me as to how we can ensure that this bought debate does not take place and how we can protect the petitions system from this kind of abuse?

**Madam Deputy Speaker:** I thank the hon. Gentleman for his point of order. Obviously, people are entitled to campaign for support for their point of view, and petitions are a recognised campaigning tool. The point he raises is an important one. Obviously, it is the Petitions Committee's role to consider petitions for debate, and I suggest that he may wish to raise this particular matter with it.

**BILL PRESENTED****NORTHERN IRELAND TROUBLES (LEGACY AND RECONCILIATION) BILL**

*Presentation and First Reading (Standing Order No. 57)*

Secretary Brandon Lewis, supported by the Prime Minister, Secretary Dominic Raab, Secretary Ben Wallace, Secretary Alister Jack, Secretary Simon Hart, the Attorney General, Conor Burns, David T. C. Davies, Leo Docherty and Iain Stewart, presented a Bill to address the legacy of the Northern Ireland Troubles and promote reconciliation by establishing an Independent Commission for Reconciliation and Information Recovery, limiting criminal investigations, legal proceedings, inquests and police complaints, extending the prisoner release scheme in the Northern Ireland (Sentences) Act 1998, and providing for experiences to be recorded and preserved and for events to be studied and memorialised.

*Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 10) with explanatory notes (Bill 10-EN).*

**Debate on the Address**

[5TH DAY]

*Debate resumed (Order, 16 May).*

*Question again proposed.*

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which was addressed to both Houses of Parliament.

**Tackling Short-term and Long-term Cost of Living Increases**

**Madam Deputy Speaker (Dame Rosie Winterton):**

Before I start the main debate, I remind all Members that those who hope to be called in debates must be present for the opening speeches and must return to hear winding-up speeches at the end. I advise that those who have contributed get back in good time to ensure they do not miss any of the winding-up speeches—that has happened on occasions recently and it is very discourteous to the Front Benchers if those Members do not return. It is also courteous to remain in the Chamber for the majority of the debate and not to disappear for hours on end, so that one can appreciate all the contributions that other colleagues have to make. Each contribution is as important as the others.

I inform the House that Mr Speaker has selected amendment (v) in the name of the Leader of the Opposition. I call the shadow Secretary of State to move the amendment.

2.25 pm

**Edward Miliband (Doncaster North) (Lab):** I beg to move an amendment, at the end of the Question to add: “but respectfully regret that the Gracious Speech fails to announce a windfall tax on the profits of oil and gas producers, in order to provide much-needed relief from energy price increases for households.”

The cost of living crisis is the biggest issue facing our country, which is why we have chosen it as the subject of today's debate, and I welcome the Chancellor's participation. We should start by being sober about the unprecedented social emergency our country faces. According to a report that has just been published by the Food Foundation, 2 million of our fellow citizens went without food for a whole day in the past month because they could not afford to eat; 7 million families had to skip a meal, and that was true of nearly half of those on universal credit. This is not just about families out of work; it is about families in work too. This is a social emergency and it is also a looming economic threat, depriving our economy of the spending power it needs. The question at the heart of this debate is whether this Gracious Speech, this Government and, yes, this Chancellor are up to the challenge this emergency represents.

The Chancellor wants us to believe that his measures in response are the best we can do, but they are not—not by a long shot. The cost of living crisis is driven most of all by what is happening to energy bills, so let us look at

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the three chances he has had in the past seven months to act on energy bills. Last August, nine months ago, the first energy price rise was announced—this was a £139 increase in the price cap. So way back then he knew what was happening. Then in October he delivered the Budget. Wholesale energy prices were rocketing and the warning signals were flashing, but the Chancellor did nothing. He should re-read that Budget speech, because I think it would make even him wince. It is a model of complacency. He had drunk his own Kool-Aid. He told the country back then that “wages are rising”, that we have “growth up” and that on inflation we have “a Government...ready and willing to act”—[*Official Report*, 27 October 2021; Vol. 702, c. 275.]

He said that the “plan is working”.

Where are we now? On wages, the Office for Budget Responsibility is this year forecasting the biggest fall in living standards for 45 years. Growth turned negative in March, with the Bank of England suggesting that the economy is going to shrink through the winter. We are now set for the highest level of inflation for 40 years. The plan is not working; it is failing.

Several hon. Members *rose*—

**Edward Miliband:** I will make some progress but then give way later.

The Chancellor did not act when he could have done. In February he had another chance, as the largest energy price rise in our history, at 52%, was announced. He could have responded in a way commensurate with the crisis—[*Interruption.*] Members say that he did, but let us look at this. What was his grand offer to the country? It was a £150 council tax discount based on outdated property values, which missed out hundreds of thousands of the poorest families, and of course there was his £200 “buy now, pay later” loan scheme. This is a loan scheme that he risibly claims is not a loan, although it has to be paid back, and it does not even come in until October. What are families supposed to do in the meantime while they wait for his loan? It is almost as though the Chancellor is so out of touch that he does not realise that 10 million families in our country have no savings at all.

**Aaron Bell** (Newcastle-under-Lyme) (Con): The £150 that was given out by Newcastle-under-Lyme Borough Council was gratefully received on the doorsteps, as was the money given out by Westminster City Council. Perhaps the right hon. Gentleman should speak to his council leaders in Barrow, Hyndburn, South Derbyshire and Bassetlaw, all councils that failed to get that £150 out into people’s bank accounts. If he is so concerned about the cost of living, why are his council leaders holding that money in their bank accounts instead of returning it to the people?

**Edward Miliband:** The hon. Gentleman anticipates a later part of my speech. That is the Conservative party today: it will blame anyone else and never take responsibility. The hon. Gentleman should have been supporting our measures, because in his constituency 11,353 people would get our combination of a VAT cut and the warm

home discount of £600. If he votes against us tonight, he will have to explain to them why he is denying them the help they need.

**Caroline Lucas** (Brighton, Pavilion) (Green): The right hon. Gentleman is making a powerful speech. I wonder whether he shares my anger at the news this week that the Government have underspent their net zero budget by a staggering quarter of a billion pounds, at exactly the same time as our constituents are struggling to keep their homes warm and deal with accelerating fuel poverty.

**Edward Miliband:** I completely agree with the hon. Lady. At every step of the way, the Government have had the chance to act, and they have not done so.

**Jim Shannon** (Strangford) (DUP): The figures for Northern Ireland are very interesting: 241,000 people—13% of people—in Northern Ireland are in poverty. Some 17% of all children, 14% of all pensioners and 11% of the whole working-age population are in poverty. Those figures scare me; do they scare the right hon. Gentleman?

**Edward Miliband:** The hon. Gentleman is absolutely right. I have been around politics for a long time, as the House knows, but I cannot remember—nobody in the House can remember—facing the kind of emergency that we do currently.

The spring statement was the most recent chance for the Chancellor to redeem himself; it was just days before the April energy price rise came into effect. It was apparent to everyone across this House and in the country that what he had offered was woefully inadequate. People were literally pleading with him to do more on energy bills, but he just doubled down on his failure. He has had three chances in the past seven months, and none of his responses has been equal to the emergency. The truth about this Chancellor is that at every step of the way he has been in denial, slow to act and wholly out of touch in his response.

**Laura Trott** (Sevenoaks) (Con): It is right that we debate what more we can do, but does the right hon. Gentleman accept that the measures that we have put forward on the national living wage and universal credit, and the national insurance threshold changes, add up to more than he is suggesting?

**Edward Miliband:** No, I do not accept that, and I can tell the hon. Lady that 8,014 families in her constituency will benefit from the changes we are suggesting if she votes for them tonight. Let me tell her and the House what the Chancellor’s failure means in reality. This year, the basic level of universal credit for a single person aged over 25 is £334 a month. The Chancellor’s measures this April were so feeble that someone on that benefit will be expected to find as much as £50 or more a month simply to cover the increase in their energy bills. That is leaving aside the soaring costs of food and other goods. That £50 is around 15% of their income, so what are they going to do? They will not be able to afford to pay their bills, they will get deeply into debt and they will go without food. It is already happening to millions.

On Friday, in the citizens advice bureau in my constituency, I met someone who is in circumstances similar to those I described. Let me be honest: I have no

idea how I would cope in those circumstances. Does any Member of this House? Maybe the Chancellor can tell us what somebody in those circumstances is supposed to do. If he cannot answer that question, it should tell him something—that he is failing in his duty to the people of this country who most need his help.

What makes the Chancellor even more culpable is that something that could help is staring him right in the face. It is something on which the case has become unanswerable, and on which the Government have run out of excuses, while oil and gas producers are making billions: a windfall tax. It is so hard to keep track of the Government's position on a windfall tax that I have given up, but I think the Chancellor has said he is prepared to look at the idea. Honestly, the British people cannot afford to wait for him and his dithering anymore, or for his hopeless excuses.

I want to go through the hopeless excuses, because this is an important argument that this House and this country need to have. What are the Government's excuses for not applying a windfall tax? First, they said in January that the oil and gas companies were, in the words of the Education Secretary, "struggling". BP has its highest profits for a decade, Shell has its highest profits ever, and the boss of BP, Bernard Looney, describes the price hike as a "cash machine"—and these people say the companies are struggling. Perhaps we can have a show of hands: does anyone on the Government Benches still believe that those companies are struggling? What is the Government's next excuse? They argue that a windfall tax will hurt investment—

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): It will.

**Edward Miliband:** Oh, it will, says the hon. Gentleman from a sedentary position. Right, here we go. The problem is that the companies themselves say that is nonsense. BP's chief executive officer, Bernard Looney—whom I take as more of an authority than the hon. Gentleman—was asked two weeks ago which investments he would not proceed with if a windfall tax was levied. What was his answer?

"There are none that we wouldn't do."

Even BP does not buy the Tory arguments against a windfall tax on BP.

**Andrew Bowie:** Will the right hon. Gentleman give way?

**Edward Miliband:** No; I will make some progress. The final excuse—[*Interruption.*] I want to come to this because it is important, and I am perhaps anticipating the Chancellor. The final excuse is that it is somehow anti-business to levy a windfall tax. Let us dispose of that argument, too. I strongly recommend that Members who believe that argument read an article that I have with me—I am happy to put a copy in the Library of the House—by Mr Irwin Stelzer, a long-time confidant of Rupert Murdoch. This is the first time I have quoted him in the House. A few days ago, in an article entitled, "Now is the time for a windfall profits tax", he wrote:

"People who believe in capitalism believe that private sector companies should be rewarded for taking risks...not be rewarded for happening to be around when some disruption drives up prices, producing windfalls."

That is the point: these profits are unearned and unexpected, and the British people are paying for that windfall. These companies are profiting not from decisions they have made, risks they have taken or wealth they have created, but from a global spike in prices to which Britain is badly exposed—a spike exacerbated by Putin's invasion of Ukraine.

What is the principle that the Government are defending here? What is their hill to die on? Is the principle that they really wish to defend that oil and gas companies should pocket any profits, however bad the geopolitical instability? Is that however large the crisis and however gigantic the windfall, taxation must not change? That proposition was rejected by Margaret Thatcher, Geoffrey Howe and George Osborne—remember him?—all of whom levied windfall taxes. Who else do we see supporting a windfall tax today? I have to say, it is a pretty big tent: John Allan, the guy who runs Tesco; Sharon White, the woman who runs John Lewis; Lord Browne, the guy who used to run BP; and Lord Hague, the guy who used to run the Conservative party—the usual leftie suspects.

The truth is that the Government have run out of excuses and, amid the chaos and confusion about their position, I think a massive U-turn is lumbering slowly over the hill. I say this to the Chancellor: "Swallow your pride and get on with it." Every day he delays is another day when the British people are denied the help they need. Millions of families are having sleepless nights because the Chancellor will not act. What is he waiting for? As proposed by the shadow Chancellor, my hon. Friend the Member for Leeds West (Rachel Reeves), the Chancellor should come to the House with an emergency Budget that has a windfall tax, gets rid of VAT on energy bills, increases the warm home discount to £400, includes an emergency plan to insulate 2 million homes this year, and cuts business rates.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): Will the right hon. Gentleman give way on that point?

**Edward Miliband:** I will not for the moment. The Government's position on the windfall tax is part of a wider problem with this Chancellor and this Government. Just look at the political choices he is making: he leaves non-doms shielding their millions while millions of families and pensioners face a cut in their incomes; he whacks up taxes on tenants and lets landlords off the hook; and he makes young people at work pay more, but those getting money from capital gains pay not a penny extra. Wrong, unfair, unjust, out of touch—that is who he is.

**Several hon. Members** *rose*—

**Edward Miliband:** I will not give way. Of course, being this Government, they always try to blame someone else, as we heard earlier. It is hard to keep track, but this is the roll call of people who the Conservative party have tried to frame in just the past few days: the Bank of England; civil servants working from home; and, shamefully, the British people for being unable to cook properly. That, apparently, is the cause of food banks. Yesterday, there was also the ludicrous suggestion from a Minister that people were not working enough hours. The Chancellor, of all people, is also at it. Who does he blame for the massive cut to benefits? He blames the IT system—the dude from Silicon Valley. Who is he trying to kid? If he had got his act together early enough, of course he

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could have raised benefits properly. The thing I do not get is this: he found it perfectly possible to cut universal credit by £20 in the middle of the year—in September. It is not a case of “Computer says no”; it is “Chancellor says no.” It is not that a computer system is not up to it; the Chancellor is not up to it.

The story of the past few months is this: crypto has crashed, and so has the Chancellor—and how similar they are. The Chancellor and cryptocurrency came out of nowhere. The value surged, and it looked like the future, but it has all turned out to be one giant Ponzi scheme. The Chancellor has just been found out. He has been rumbled. Let us be honest, his colleagues all know it. He is out of touch with what is happening in the country. He is out of ideas when it comes to doing the right thing. He is out of his depth when it comes to the challenges that this country faces.

The problem, of course, is that today’s cost of living crisis does not stand alone; it comes on top of a decade of failure. That is why families and our economy are so vulnerable. Over the past 12 years, growth has averaged just 1.4%—the worst record of any Government since the second world war. This is the worst decade for living standards since the 1920s, according to the Institute for Fiscal Studies. Indeed, wages would be £7,000 higher on average if wage growth under this Government had matched the rate of growth under the last Labour Government. Taxes are at their highest level since the 1950s. Public services are struggling. Never have so many paid so much for so little. Twelve years of Tory economics have failed, and what does the Chancellor offer in the future? More of the same: anaemic growth at just 1.7%, and squeezed wages as far as the eye can see.

This is the plan for growth that we need: we should tackle the cost of living crisis, so that people have more money in their pockets. We need to put in place an industrial strategy, so that we have good jobs in the industries of the future; that is what Governments all around the world are doing. We need a plan to give people proper rights, to boost wages at work, and to make our economy fair. Where is the employment Bill? It was promised in 2019, but it is still not here. When it comes to being on the side of the workers, Conservatives may mouth the words, but their actions tell the real story.

**Mr Mark Harper** (Forest of Dean) (Con): I am glad that the right hon. Gentleman mentioned jobs, particularly as today unemployment has fallen to its lowest level. The number of people out of work is now lower than the number of vacancies in the economy. He has just made an extraordinary number of unfunded spending commitments at the Dispatch Box. I want to highlight the big difference between the Labour party and the Chancellor. I remember the spring statement; the shadow Chancellor made a commitment to raising benefits early, because, she said, it would cost no money. It would actually have cost £24 billion across the spending period. There was no sense of how to pay for it. That is Labour from start to finish.

**Edward Miliband:** It is good to see that the right hon. Gentleman has clambered back onto the career bandwagon. I thought that he was no longer a loyalist. The truth is

that it was the Resolution Foundation that pointed that out, and I can give him the reference.

I will wind up now. I have mentioned the basics of a modern economy, and this Government are failing on all of them; they have no cost of living plan, no growth plan, and no plan for rights at work. They have not learned from the mistakes of the past decade, and they are condemned to repeat them. The truth is that this Gracious Speech does not remotely rise to the short or long-term challenges that the British people face, but this House can make a difference tonight. I say this to Conservative MPs directly: we have all heard from our constituencies what families are facing. This is an emergency for millions of people. A windfall tax could make a difference.

**Mike Wood** (Dudley South) (Con): Will the right hon. Gentleman give way?

**Edward Miliband:** No, I will not. Conservative Members should use this opportunity to tell the Chancellor to act. It is the right and fair thing to do. The case is unanswerable. If they do not act, they will have to explain to their constituents why they refused to support help that could make a difference now. I urge Members to vote for our amendment tonight to help tackle the social emergency that our country is facing.

2.45 pm

**The Chancellor of the Exchequer (Rishi Sunak):** I am proud to speak today in support of a Queen’s Speech that will both ease the cost of living with billions of pounds of support for families and grow the economy, creating more jobs, more investment and higher wages.

The International Monetary Fund, the OECD and the World Bank have all warned that high inflation is the most acute challenge facing not just the UK, but the global economy. We are not alone in facing these challenges: covid has disrupted supply chains; Putin’s invasion of Ukraine has exacerbated the shock in energy prices; and businesses are facing shortages. The causes are indeed global, but, of course, the consequences are being felt here at home. Families up and down the country are being hit hard by the rise in prices of fuel, of food and of heating. I cannot say to people that this will be easy; the next few months will be difficult. There is no measure any Government can take and no law we can pass that can make these global forces disappear overnight. No honest Chancellor could stand here and promise that prices will not rise further, or that the Government can cover every extra pound on people’s bills.

**Several hon. Members** *rose*—

**Rishi Sunak:** I will give way in a second.

To suggest that no help is available, as some have said today, is both misleading and irresponsible.

**Stephen Timms** (East Ham) (Lab): The other day, the Chancellor said that he could not increase benefits because of IT problems. At the start of the pandemic, quite rightly, he increased universal credit by £20 a week. Will he do that again?

**Rishi Sunak:** Given the right hon. Gentleman’s experience, he will know, perhaps better than me, that there are multiple different benefits on multiple different systems,



and while universal credit does have the flexibility of being changed at different times—a policy, by the way, that the Labour party opposed at every step of the way—the remainder of benefits and pensions cannot be uprated mid-year. I am sure that my right hon. Friend the Secretary of State for Work and Pensions will speak to that later.

**The Secretary of State for Work and Pensions (Dr Thérèse Coffey)** *indicated assent.*

**Rishi Sunak:** None the less, I am glad to see that the right hon. Gentleman supports universal credit. That is one thing that the Government are proud of introducing. The benefit can respond in a crisis, as it so admirably did.

**John Cryer** (Leyton and Wanstead) (Lab): The Chancellor has just admitted that he could increase universal credit by £20, so why does he not do it?

**Rishi Sunak:** Because we want to make sure that we get support to everyone in a way that suits them. What we did do—and we heard this from the right hon. Member for Doncaster North (Edward Miliband) when he gave a case study on universal credit—is cut the universal credit taper by the biggest amount ever. That was the biggest tax cut that we have seen for people on low incomes, which is in contrast to the cherrypicked example that we heard from right hon. Gentleman. What does that mean for a single mother on universal credit, working on the national living wage, renting, and with two children? It means that that mum will be £1,600 a year better off this year. That is what this Government are doing. Help is there, and anyone seeking to pretend otherwise is simply causing more worry and more anxiety.

**Robert Halfon** (Harlow) (Con): There is no recognition from Labour Members of the £22 billion that the Government put in to help with the cost of living, particularly the 5p cut in fuel duty. However, I do have one ask of my right hon. Friend. The oil companies are not passing the cuts to the pumps. They take ages to reduce the prices when the international oil price falls, but oil bosses are earning multi-million pound salaries and getting multi-million pound bonuses. They are, in essence, the new oligarchs. I urge him to consider both a windfall tax on the oil companies, which we can then use to cut taxes for the lower paid or to cut energy bills, and a pump-watch monitor to make sure that there is fair competition and that consumers get a fair deal at the pumps. None the less, I genuinely recognise all the work that he has done thus far to cut the cost of living.

**Rishi Sunak:** I thank my right hon. Friend for his advice and support, and I will come on to both of his points momentarily. He is right to remind the House that so far we have provided £22 billion of direct support. That is not a trivial figure; it is £22 billion of support to help families up and down our country at a time of challenge. We have taken action, as we heard, to cut people's bills, starting with fuel duty—I commend him for his campaigns on that. It has been cut by 5p a litre, which is worth £100 this year together with the freeze, and council tax, cut by £150.

What the right hon. Member for Doncaster North did not mention was that that £150 of support, which, as we heard from my right hon. Friend the Member for Harlow (Robert Halfon), has made a huge difference to families, came faster than any support the Labour party was offering in its proposal, and it went to a far broader group of people than their proposal, because we wanted to support those on middle incomes as well.

**Edward Miliband:** VAT!

**Rishi Sunak:** VAT would have been worth about, I think, £8 a month at the time. This is £150 in people's bank accounts in April.

We also cut the taper rate on universal credit, giving an extra £1,000 to the average household. The warm home discount increased to £150, the national living wage increased, giving low-paid workers a pay rise of £1,000, and we will go further.

**David Linden** (Glasgow East) (SNP): I want to take the Chancellor back to what he said earlier in his speech about the Government's acting quickly on the covid crisis. Does he recognise that many of our constituents are in a crisis now? I know he is installing a new swimming pool in the house he lives in, but I can tell him that people in Glasgow East are struggling and his Government need to do more.

**Rishi Sunak:** This Government have always acted to protect this country at times of challenge; we have done so through the past two years and we continue to do so now. As has been said, £9 billion of support on energy bills was announced in February at the same time as the price cap was increased, and it covered 50% of the rise in bills—accepting and being honest with the House, as we discussed at the time, that no Government could cover every pound of an increase when we are in a situation with global inflationary forces, and that it would be both irresponsible and misleading to pretend to the British people that that was possible.

But we are going further: in October, a further discount on energy bills worth £200 and, in just a few weeks' time, a massive tax cut for workers when the national insurance threshold is increased to £12,500. That is a £6 billion tax cut for working people, the biggest increase in a personal tax threshold ever, and it will mean that everyone in this country can earn £12,500 without paying a penny of income tax or national insurance. That means, in contrast with what we have heard, that 70% of working people will pay less tax this year than they did last year.

Taken together, all the measures I have just mentioned equate to a £22 billion plan to help cut costs for families and help people with the cost of living. Of course, as the situation evolves, our response will also evolve. I have always been clear that we stand ready to do more.

That brings me to the topic of a windfall tax. Unlike the Labour party, we Conservatives do not believe that windfall taxes are the simple and easy answer to every problem. However, we are pragmatic, and we want to see our energy companies, which have made extraordinary profits at a time of acutely elevated prices, investing those profits back into British jobs, growth and energy security. I have made it clear and said repeatedly that, if that does not happen soon and at significant scale, no option is off the table.

[*Rishi Sunak*]

Global economic forces are indeed hitting the British people hard, and that is why the Government are stepping in to help. Ultimately, however, over the long term we on the Conservative side know that the best way to raise living standards is to grow the economy. That is why our economic plan and this Queen's Speech will create more jobs, more investment and, crucially, higher wages.

During the pandemic, we provided billions in support not only to the economy, but specifically to businesses. Because of schemes such as furlough we were able to keep millions and millions of people in work, and the success of our plan for jobs is clear. As we heard from my right hon. Friend the Member for Forest of Dean (Mr Harper), unemployment right now is the lowest it has been in almost half a century, job vacancies are the highest they have ever been, and total pay is rising in real terms and is more than 4% higher than before the pandemic, even adjusted for the inflation we are seeing.

That does not happen by accident. It is the result of a responsible Conservative Government delivering a stronger economy—an economy that grew faster last year than any of our competitors. That strong recovery is making a difference to people's finances. Taken together, the combination of policy measures the Government have announced and the growth in the economy offset around half the shock to incomes caused by higher global energy and goods prices. Half of that shock has been offset by the result of our actions to grow the economy and support people directly.

Of course we need to do more to create further economic growth. That is why this Queen's Speech includes measures to do exactly that.

**Dame Angela Eagle** (Wallasey) (Lab): Given that the right hon. Gentleman was just talking about growth in the economy, he will be aware that the Governor of the Bank of England and the Monetary Policy Committee told the Treasury Committee yesterday that growth would be negative in the fourth quarter of this year. Growth is slowing, unemployment is rising and inflation is soaring—is that not correct?

**Rishi Sunak**: I think the hon. Lady said unemployment is rising. No—it just fell this morning to the lowest level in almost half a century. I will come on to our growth figures in just a second, but we have had a strong recovery and are forecast to continue growing strongly relative to peers.

We do need to do more, and that is why the Queen's Speech includes measures to boost our national infrastructure, to level up, to back financial services—one of our biggest and most successful sectors, employing millions of people across the country—to cut red tape, to use our new Brexit freedoms, to back British businesses, to reform higher education and to strengthen our energy security. We on the Conservative side know that over the longer term, the best way to create growth is to have an economy where businesses can invest more, train more and innovate more.

**Dan Carden** (Liverpool, Walton) (Lab): While the Chancellor is still considering a windfall tax, I want to tell him about one constituent of mine who got in touch: a 62-year-old woman in Walton, who decided to disconnect from British Gas for fear of a bill coming through her door in a few months' time.

**Rishi Sunak**: I am very sorry to hear about the circumstances of the individual concerned. I would be happy to talk to her directly, if that would help, but I hope the hon. Gentleman, in his role, can explain to her the support that is in place to support families such as hers, whether that is direct support with her energy bills, the £150, the fact that her national living wage may well be increased depending on her situation or, as my right hon. Friend the Secretary of State for Work and Pensions reminds me, the fact that she can talk to her local council to access the household support fund that is being doubled to £1 billion to provide direct support to those who are most vulnerable.

**Several hon. Members** *rose*—

**Rishi Sunak**: I am now going to make some progress. Our plan is to build the economy of the future. That is why, this autumn, we will cut taxes on capital, on people and on ideas to drive up growth and support businesses to do so.

While we are talking about growth, we have heard a lot during these debates—I think the right hon. Member for Doncaster North also mentioned it—about the Labour growth that we experienced between 1997 and 2010. It was obviously a very long time ago that we last had a Labour Government, so let me remind the House of the facts.

Under the Labour Government, the UK's cumulative economic growth was third in the G7. Under this Government, despite having lived through the worst recession in more than 300 years, our cumulative growth is also third in the G7. Let us also remember that when the Opposition last arrived in office, unemployment was 7%. When they left, 13 years later, it was of course higher at 8%. New figures out this morning, as we have heard, show that today, the UK's unemployment rate is less than half that, at 3.7%, the lowest in almost half a century.

The story is the same on public finances. The deficit in 1997 was 2% of GDP. By 2010, it was nearly 10%, and £1 in every £4 the Government spent was borrowed. There was, as we heard, no money left.

**Richard Fuller** (North East Bedfordshire) (Con): May I add to what the Chancellor says that under this Conservative Government we introduced the living wage, which has increased wages for the poorest in our country at a higher rate than the last Labour Government ever had the courage to do, and we now have the lowest unemployment rate for 50 years?

**Rishi Sunak**: My hon. Friend is absolutely right. This year's increase in the national living wage is worth £1,000 to someone working full-time who is on the national living wage. That will benefit millions of people, particularly those on a low income. That is our priority and those are our values.

The approach to borrowing that I have described is not the approach of this responsible Conservative Government. Today, despite having spent hundreds of billions throughout the pandemic, we are providing the highest sustained level of public sector investment in decades and investing record amounts in public services such as the NHS. This Government are on track to have

borrowing low and debt falling again. That is our record: robust growth, more jobs and being responsible with the country's finances.

History reminds us that, at times when we face severe supply problems, an unconstrained fiscal stimulus risks making the problem worse, pushing up prices still further and ingraining expectations of higher inflation—a vicious cycle leading inexorably to even higher interest rates and more pain for tens of millions of mortgage holders and small businesses. Let us be in no doubt, simply trying to borrow and spend our way out of this situation is the wrong approach; those paying the highest price would be the poorest in our society. Instead, the Government are taking a careful, deliberate approach. We will act to cut costs for those people without making the situation worse. We will continue to back people who work hard, as we always have, and we will do more to support the most vulnerable—and, unlike others, we will not simply borrow our way out.

So yes, we are helping families by cutting their costs, and it is irresponsible to suggest otherwise. That support will always be part of a broader plan to grow the economy, encourage investment and create more high-skilled, high-wage jobs, all built on the foundation of strong public finances. That is our economic plan. We are providing £22 billion-worth of support to help families with the cost of living. We are creating more jobs, more investment and higher wages. That is what this Queen's Speech is all about, and I commend it to the House.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. Obviously a lot of colleagues wish to get in, so there will be a five-minute time limit on Back-Bench speeches. I call SNP spokesperson Alan Brown.

3.2 pm

**Alan Brown** (Kilmarnock and Loudoun) (SNP): I would like to say it is a pleasure to follow the Chancellor, but we have just heard 16 minutes of platitudes and no new ideas. He said that Opposition Members are causing people more worry. What is causing people more worry is not having enough money in their pockets to pay their bills. It is nothing to do with what we say here; it is what they see in reality.

The Chancellor mentioned yet again his £9 billion support package for energy bills, but he did not say that only a third of that is money from the Treasury that will not be clawed back. Two thirds of that £9 billion will be added to our energy bills and recovered through our bills, so he is making bills higher for some while providing crumbs of support to the most vulnerable. He mentioned growing the economy while ducking the fact that, after the past five years, the economy had already started to contract in March. Then, for good measure, we heard some bluster about Labour's past record, as if to hide the issues. What that tells us is that Westminster has not been working for a very long time.

It is a dereliction of his duty as Chancellor to have no new measures and no new finances associated with the Queen's Speech to address the Tory cost of living crisis. The stark reality is that the longer nothing is done, the more people will plunge into fuel and food poverty. The April 2022 price cap is 75% higher than just a year ago. National Energy Action estimates that up to 6.5 million households could now go into fuel poverty. That underlines

why more action is needed by the Chancellor. The October increase coming could see up to 40% of households becoming fuel-poor. National Energy Action previously estimated that about 10,000 premature deaths a year arise from fuel poverty. How many more premature deaths are likely to occur with these increasing fuel costs? They have such an impact that people die early through fuel poverty. How can any Minister who claims to have compassion stand by and do nothing? Even the British Chambers of Commerce has asked for an emergency Budget. Companies such as Scottish Power are calling for £1,000 of support for energy bills, and yet the Chancellor has insisted that taking measures now would be silly. Why is he so out of touch with reality when even businesses are telling us what is required?

Looking back to April 2020 and the onset of the covid crisis, the Government increased universal credit by £1,040 to help people to live, but back then home energy bills were 75% cheaper and petrol was 50% cheaper, and we are now dealing with food inflation and with general inflation rising to 10%. If that £20 a week uplift was required for people to live two years ago, surely the Chancellor must recognise that he needs to reinstate that uplift and do so quickly. Even Asda chairman and Tory peer Stuart Rose backs reinstating the £20 per week uplift to universal credit, so it really is time for the Chancellor to listen. People on universal credit are more likely to be on prepayment meters and are therefore further penalised with a higher energy tariff. Those people will be forced to self-disconnect this winter, as they simply will not have the funds to put in the meter. They do not have a dilemma about whether to turn the heating on; they do not have the choice.

Yesterday I was at a meeting with Ewan McCall of the Wise Group. He and others within the Wise Group deal with people who are on the frontline of fuel poverty. A survey of nearly 300 people in Glasgow found that 24% were self-disconnecting or rationing their heating. There are really heartrending individual stories behind this: people reliant on candles and using hot water bottles, reduced to living in misery. The Wise Group, like others, provides fantastic help with turnaround, but it can only do so much. Other groups such as the Trussell Trust, which does fantastic work with food banks, have confirmed that ever more people are reliant on their services.

Rather than action, we have had the bizarre admission from the BEIS Secretary that his Department's nuclear power policy will increase our energy bills. It is economic madness—and, unfortunately, madness cheered on and encouraged by Labour. It should come as no surprise that new nuclear will add to our bills. With an upper estimate of £63 billion for the capital and finance costs for one new nuclear power station, it is crazy to proceed when the costs of renewable energy are ever falling. So-called small modular reactors are neither small nor cheap, at circa £2 billion per new station. Rolls-Royce does not want a contract for just one small modular reactor; it wants a contract for 12 to 15. The Government should be focusing on providing cheaper dispatchable energy and agreeing a minimum electricity price for the proposed pumped storage hydro scheme at Coire Glas and the proposed extension at Cruachan Dam. Those can be delivered much quicker and at a fraction of the costs of nuclear. Indeed, the £1.7 billion that the Chancellor has used to buy a stake in Sizewell C would pay for Coire Glas to be built outright.

[Alan Brown]

One obvious way to reduce bills and emissions is to increase energy efficiency measures massively. The Scottish Government rightly treat that as a national infrastructure programme and spend four times more on it per capita than the UK Government. The Green Alliance estimates that retrofitting 11 million homes will reduce peak heat demand by 40%. Shamefully, instead of showing increased ambition, the UK Government have not even brought forward the regulations for ECO4, yet the programme was supposed to have started on 1 April and is part of the £9 billion package the Chancellor keeps bragging about.

This Government are trapping more children in poverty who are therefore destined to have fewer opportunities and to be less likely to have positive outcomes in life. The Child Poverty Action Group estimates that there are currently 4 million children in poverty and says that the legacy of this Queen's Speech will be even more children going into poverty. Yet at a stroke, overnight, the Chancellor could lift 250,000 children out of poverty by scrapping the two-child limit for universal credit. When he knows that he has at his disposal the power to take 250,000 children out of poverty overnight, why does he not act and scrap the cap? Why are Tory Back Benchers not calling for the two-child limit to be scrapped altogether? Instead we hear demands for tax cuts which the Chancellor has promised are coming, but which will disproportionately help the richest and not the poor.

Another decision taken by this Government is not to uprate benefits even close to the rate of inflation. That is a conscious decision, and as others have said, blaming the IT system is a piece of nonsense. The Chancellor is hiding behind weak excuses. There is something far wrong if the Government's IT system is so poor that they cannot press a button to provide a percentage uplift.

We have heard one new policy announcement, which is making 91,000 civil servants redundant during this crisis. It beggars belief that the Government use the slogan "Making work pay" while wanting to sack 91,000 people. Unfortunately, many who are working know that work does not pay. The number of people who are in work and in poverty is increasing, and no amount of bluster will change that statistic. The Government could help by making the minimum wage equivalent to the real living wage. At a stroke, that would take more people out of poverty, and it would not cost the Government any money, so why do they not do that?

There is talk about balancing the books, and another cohort on whom the Government have balanced the books is pensioners. Scrapping the triple lock is costing pensioners more than £500 a year during this crisis. If inflation is running at 10% when the next uprating assessment is undertaken for pensions, will the Chancellor stand by the pledge to reinstate the triple lock? Will he actually increase pensions by 10%, if that is what inflation is telling us? It would be good if he could confirm that. Okay, he is just staring into space.

The topic of pensions takes me to the Women Against State Pension Inequality Campaign and the millions of women still awaiting compensation. The recent Parliamentary and Health Service Ombudsman report has highlighted and confirmed that there was clear

"maladministration" in how the Department for Work and Pensions delivered—or failed to deliver—the news of the increased pension age for millions of women. Some form of compensation would not only be at least a nod towards justice, but put money in people's pockets at this time of need.

I met two representatives from Ayrshire WASPI on Friday, and they highlighted that fair compensation in Ayrshire will be about £150 million for 15,000 women. That money would then be spent locally on services and goods in a real form of levelling up. Even then, much of that money would return to the Government in various taxes. Sadly, by the end of this calendar year, more than 220,000 women across the UK will have died waiting for justice in the seven years since the WASPI Campaign began. Thousands more women will die waiting unless the DWP and the Treasury sit down with campaigners to agree fair, fast compensation. I put it to those on the Front Bench: how acceptable is it just to sit back and let people die, instead of providing them with justice and the compensation they deserve?

Returning to the issue of the Treasury and how to pay for support, we agree with Labour on the principle of a windfall tax. However, it should not just be a cash raid on the North sea; rather, it should be a wider pandemic profit levy. Tax Justice UK has identified that just six companies made an excess profit of £16 billion in the financial year 2020-21. A 10% additional levy on them would realise £1.6 billion for the Treasury. A much wider pandemic profit levy of 10% across the board would raise even more money.

The right hon. Member for Doncaster North (Edward Miliband) said that companies should not profit from circumstance and from just being there. On that principle, he should agree that a pandemic profit levy makes more sense, because that would affect companies that benefited from the covid situation just by virtue of being there. That levy would also target the companies that made excessive profits from personal protective equipment contracts awarded to them directly by the Government.

There is no doubt that things have moved with the oil and gas sector. As the right hon. Gentleman pointed out, the chief executive of BP has said that investment would not be at risk. If we look at the reality of it, Shell and BP combined are on course to reach £40 billion in profit this year, so there must be some loose change there for the taking. It is interesting that the Tesco chairman wants a windfall tax on oil and gas, so I am sure he would also welcome a windfall tax on Tesco and other companies that benefited during the pandemic.

**David Duguid** (Banff and Buchan) (Con): I genuinely thank the hon. Member for giving way. It is two or three short months since I welcomed his stance against Labour's calls for a windfall tax, but putting that aside, he quoted Bernard Looney, the chief executive of BP. Is he aware that, as well as saying that currently committed investments would not be at risk from a windfall tax, Bernard Looney has also said that future investments could be?

**Alan Brown:** At the end of the day, there is so much excess profit here that something needs to be done. We need to have a serious conversation about it. Interestingly, in front of the Business, Energy and Industrial Strategy Committee, the chief executive of Centrica spoke about the record profits it is making and about how it pays

much more tax in Norway than here. He confirmed that a tax regime can be balanced and that he is quite happy paying more if it is a stable regime. We could have a serious debate about a tax regime that realises more money for the Treasury, especially in this time of need.

That takes us to the Treasury. The Chancellor has generated his own windfall. As our energy bills have nearly doubled, so has the VAT intake to the Treasury. As petrol prices have soared, so have the VAT returns to the Treasury. Indeed, the duty cut he was bragging about is actually a loan paid for by the extra VAT that was already getting raked in. As we have heard, there is now a real risk that that duty cut is being gouged out by greedy petrol companies and not being passed on to consumers. That is another thing on which the Chancellor needs to get a grip. Oil and gas revenues have increased by £3.5 billion in the past couple of years, and I have a funny feeling that in the autumn statement, the Chancellor will predict even greater income from oil and gas revenues. That income alone should be getting recirculated and used to support people.

The Scottish Government are doing what they can to mitigate the crisis, but we cannot make decisions a normal country can make. The Scottish Government introduced the game-changing child payment and doubled it to £20 a week, and it will increase to £25 a week later this year. That could lift 50,000 children out of relative poverty, but it cannot have the positive impact it otherwise would have had due to Tory cuts. That also demonstrates the lack of real options for Scotland within the current constitutional settlement. We cannot make decisions a normal country can make. It is not in our gift to change VAT on energy bills. Whatever the views are on a windfall tax, we cannot do that. We do not have control over fuel duty or VAT either. We have limited borrowing powers. We are locked into bad decisions by the UK Government on the race for nuclear—encouraged by Labour—on money on nuclear weapons, and on being taken out of the EU, and we are short-changed in funding from the UK Government in relation to that.

As a country, we are energy-rich, yet we have citizens living in fuel poverty. We have exported oil and gas for years, but we do not even have an oil and gas fund. It is time for a different direction. We have had 315 years of the so-called most successful Union ever, yet we have a Government whose slogan is “level up” and “we know best”. If the Union is so successful, we should not need a slogan about levelling up. It is time for independence and time we made decisions for ourselves.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the Chair of the Treasury Committee, Mel Stride.

3.17 pm

**Mel Stride** (Central Devon) (Con): I rise to very much welcome this debate, which addresses one of the great challenges of our time: the cost of living. Right at the centre of that lies the rate of inflation, which many Members have referenced in the debate so far, and that responsibility is with the Bank of England. In very recent times, the Bank has come in for a good deal of criticism for apparently not having got on top of that rate of inflation. It is currently above 7% and will rise to 10% in the autumn, before falling back again next year. That is well detached from its target of 2%, so the question arises: is the Bank of England culpable for having missed that target to that extent? I want to

speaking—partially, at least—in defence of the Bank of England, which is one of the most important independent institutions in our country, and to make the following observations.

First, as the Chancellor has already pointed out, the level of inflation across the world is elevated. There are some exceptions to that, but most leading economies are facing very high levels of inflation. In fact, the United States, Spain and Germany have higher rates of inflation than we do in the United Kingdom, and our rate is broadly similar to that across the eurozone.

My second point is about what one can expect from monetary policy under the current circumstances. The main drivers of inflation are a war in Ukraine; surging energy prices; surging food prices; some of the effects of the unlocking of the economy and its rapid growth, and supply chain bottlenecks that developed as a consequence; and then what played out in the labour market as the economy opened up. Very few of those factors are amenable to being controlled through interest rates and monetary policy. Of course, it takes time for monetary policy to take effect. If interest rates are put up, it typically takes about a year or more, through the transmission mechanism, to have an effect on demand and to start to bear down on inflation.

For about 80% of the rise in inflation above the 2% target, therefore, we should not hold the Bank of England particularly culpable. The notions of those people—some of whom are on my side of the House—who have called into question the independence of the Bank of England as a consequence of high inflation are misplaced. We should firmly defend the Bank of England in that respect.

There is one area, the other perhaps 20% of the growth in inflation, which relates to what has happened in the labour market, where the Bank is at least partially culpable, because it was slow to establish the fact that the market was getting overheated. What appeared to be isolated areas, such as among HGV drivers and other pools of labour in the labour market, soon spilled over into a more general price increase across labour. The danger now is that we will have a wage-price spiral in which wages chase prices and, in turn, drive up wages further. There is a real danger that we are in a position where future expectations of inflation have become substantially de-anchored from that 2%, which will be a challenge in the medium and longer term.

Overall, however, it is extremely important that we have confidence in the Bank of England, imperfect though it is, and even though it is presiding over a situation in which there are high levels of price increases.

**Stephen Timms:** I agree with the right hon. Gentleman about the independence of the Bank of England. At the Liaison Committee in March, he suggested to the Prime Minister that there should be a one-off uprating of benefits, given that inflation is much higher than the 3.1% by which uprating was applied. I agree with him about that and I wonder whether he stands by that suggestion.

**Mel Stride:** I thank the right hon. Gentleman for that intervention, and I do indeed stand by that. I still believe that it is possible, in a relatively fiscally neutral manner, which would not require a fiscal loosening across the period of the Office for Budget Responsibility

[Mel Stride]

forecasts, to smooth the way in which benefits are indexed. It seems particularly regrettable that benefits such as universal credit are tagged to a 3.1% increase, which goes back to what inflation was in September, given that we are now facing 8%, 9% or 10%-plus inflation. There is the possibility of smoothing that out, so that on the way up it becomes less painful for people, and some of it will be taken back as it all comes out in the wash for everyone down the line. I am happy to continue to work with him with that in mind.

That brings me to other fiscal measures that can be taken to ease things for our struggling constituents. We have heard about a windfall tax in great detail today, which I would support. Although I would not be as partisan as the way in which the right hon. Member for Doncaster North (Edward Miliband) made his case earlier at the Dispatch Box, I think the arguments that he has put forward are largely sensible. I am pleased that in turn the Chancellor has indicated that the door is at least partially open, albeit caveated on the investment performance of the companies concerned.

Unlike the Opposition, I think that it is important to look at the size of the civil service and to have an ambition to get it back to its size in about 2016 before a number of these different crises struck and we had to gear up the numbers involved. If we were to do that, it would be possible to save a total of £3.5 billion a year, which would be a useful amount to have.

I am sorry, Madam Deputy Speaker, but I have completely run out of time. I had much to say, as I know many other hon. Members will.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the Chair of the Work and Pensions Committee, Stephen Timms.

3.24 pm

**Stephen Timms (East Ham) (Lab):** I am pleased to follow the right hon. Member for Central Devon (Mel Stride), who chairs the Treasury Committee. I agree with much of what he said.

Cost of living rises affect everybody. The Work and Pensions Committee focuses on families with the lowest incomes who depend on social security. The prospects for them at the moment are bleak. The Committee argued—unanimously, cross-party—against the removal of the £20 a week uplift in universal credit last October. The Government went ahead anyway and cut the main benefit rate to the lowest real-terms level for more than 30 years. As a proportion of average earnings, it is lower now than when Lloyd George introduced unemployment benefit in 1911. Benefits are at a historically low level and no Minister can justify that—we have asked.

We now have a massive cost of living surge. Citizens Advice reports that a single unemployed person spent 15% of their benefit on energy bills two years ago. It is now 25% and it will be 50%—just on energy—when the cap goes up again in October. How can people pay their other bills, which are also going up? National Energy Action told the Select Committee that, after last month's energy price rises, 6.5 million UK households are in fuel poverty. It is a disaster for families with long-term health problems; being cold at home makes respiratory and circulatory problems much worse.

The Gracious Speech provided no help at all to people dependent on benefits. At the Liaison Committee, I asked the Prime Minister why the spring statement did nothing. His answer was that

“we want to support people into work wherever possible”,

but a large number of people cannot work and they have to survive too. Surely, the Government must now respond to the immense pressure on those families.

Mike Brewer of the Resolution Foundation pointed out to our Committee the obvious problem with benefits going up by 3.1%, as they did last month, when inflation is 8% and rising. He proposed revisiting uprating, immediately for universal credit, as the Chancellor confirmed that he could and as he did at the beginning of the pandemic, and in October for those benefits needing longer—there are some of those, as he has pointed out to the House. That must surely now be done.

Universal credit was raised by £20 a week before, so the Chancellor should do it again. I agree with the Chair of the Treasury Committee, who has just reaffirmed the case for an interim uprating, about which he pressed the Prime Minister at the Liaison Committee. The Prime Minister said that he would look at it. It is urgent.

Crisis highlighted that local housing allowance rates have been frozen for two years in a row. Average rents went up by 8.3% just in the last three months of last year. Families on the breadline face an average £372 deficit between the local housing allowance and the cheapest rents in their area. In research just published, Lloyds Bank Foundation reports that 44% of universal credit recipients are having money deducted, averaging £78 a month—nearly a fifth of what single over-25s can claim. Deductions are for advance repayments, old tax credit overpayments, energy or rent arrears. The foundation says that that is

“driving impoverishment and further debt, particularly hitting the most vulnerable.”

We need major changes, especially to the five-week wait for a first regular universal credit payment, which forces people to take out an advance.

Pensioner poverty is now surging. We know that, in 2019-20, 850,000 families entitled to pension credit did not claim it. We need real vigour behind raising take-up. The Department for Work and Pensions should have a take-up target for pension credit and a plan to deliver it. In 2010-11, the DWP trialled automatic payments of pension credit, and it should do that again.

The least well-off in our society need urgent help. As Sir John Major said yesterday:

“Everyone needs to believe that The State cares about them”, too. There is no time to lose.

3.29 pm

**Theresa Villiers (Chipping Barnet) (Con):** There is much to welcome in the Queen's Speech programme, but I want first to highlight a very serious concern about clauses 83 and 84 of the Levelling-up and Regeneration Bill, which could massively erode local decision making on planning. I hope that Ministers will think again about awarding themselves the power to override local development management policies, which provide such important protection against over-development.

The main theme I want to cover today is the broader economic theme and how we ensure that we have a sustainable way to help people with the cost of living. Crucial to that is the regulatory reform envisaged in legislation such as the Brexit freedoms Bill, the financial services and markets Bill and the data reform Bill. As inflation returns to the global economy at levels not seen for 30 years, it is imperative that we have a clear, long-term economic plan to grow the economy, raise living standards, repair the public finances after covid and bring down taxes. This is the best and most sustainable way to help people with rising household bills.

Of course, like everyone else in the Chamber, I know how urgent it is that we help people with rising household bills, which is why I very much welcome the Chancellor's £22 billion intervention. Raising the national insurance threshold is one of the biggest personal tax cuts in decades. Increasing the amount people can earn before benefits are withdrawn has put £1,000 in the pockets of low-income families, and of course the 5p fuel tax cut can help everyone.

In addition to this, we need a convincing programme to grow our economy out of the traumas being inflicted on us by the global rise in energy prices. That is why the regulatory reform in the Queen's speech is crucial. I was one of the members of the taskforce on innovation, growth and regulatory reform established by the Prime Minister. Our report set out a substantial list of regulatory improvements to boost the economy and create thousands of well-paid jobs, especially in high-tech sectors such as bioscience. This kind of reform—only possible because of Brexit—is one of the most effective ways to grow our economy. It is the sustainable long-term way to ensure we have the Goldilocks combination of sound public finances, money to fund our public services and lower taxes.

Put simply, supply-side reforms to set enterprise and innovation free are the means by which we can make the numbers add up. We cannot spend our way out of an inflation crisis and we certainly should not borrow our way out of an inflation crisis, but we can grow our way out of this inflation crisis. None of these reforms needs to jeopardise safety, consumer protection or the environment. As set out in the TIGRR report, we need regulation that is more modern, more flexible, more proportionate and more targeted. We need new rules that are rooted in our common law tradition, can be piloted and tested, and can be amended if they turn out to have unintended consequences, so that we deliver the regulatory outcomes and high standards we want, but at a lower cost and with far less of a burden on business and industry.

Regaining the right to make our own decisions on regulation is one of the key benefits of leaving the European Union. For six years as a Member of the European Parliament, I saw at first hand how the EU legislative process works. It is slow, it is cumbersome and it gets so bogged down in political horse-trading between countries that it is no wonder it often produces such poor results. I was one of just a handful of Conservatives to vote three times against the first version of the withdrawal agreement. I did that because I did not want us locked forever in the regulatory orbit of the EU. Now we are free of that gravitational pull, we must

use the opportunities it gives us. Otherwise, all those years of Brexit rows and divisions will have been for nothing.

Only when we have charted our own course on regulation can we truly say that we have got Brexit done, so now is the time to get on and do this—for our whole country, too, and that means significant changes to the Northern Ireland protocol. Now is the time to set out a clear plan for growth that will deliver the high-wage jobs, the opportunities and the lower taxes that our constituents want to help them with the cost of living and the inflation crisis we face in this country and across the global economy.

3.33 pm

**Dame Angela Eagle** (Wallasey) (Lab): Can we judge this Queen's Speech to be successful in addressing the cost of living crisis? The Governor of the Bank of England warned at the Treasury Committee yesterday of an "apocalyptic" situation with food supplies and therefore with rising prices. The Bank of England's Monetary Policy Committee's May report warned that inflation would soon reach 10%. It also signalled lower growth than previously predicted, with a contraction in quarter 4 of this year. It also expects higher unemployment. It predicts that inflation will not return to its target of 2% for nearly three years. The squeeze in what the economists call real incomes, which take account of inflation, is the most ferocious we have seen in generations, not least because the rapid rise in inflation is being driven by soaring prices for necessities: food and energy.

These higher costs cannot be avoided or easily minimised and, as my right hon. Friend the Member for East Ham (Stephen Timms) pointed out in his effective speech, it is well known that they cause most hardship to the poorest, who are least able to cope and have no savings. Despite what some Government Ministers seem to think, the poorest have little practical opportunity to increase their hours or their pay, at least in the short term.

Thus, after 13 years of Conservative rule, we see soaring poverty levels, millions relying on food banks just to get by, and the lowest level of benefits since Lloyd George was Prime Minister. It means that the social safety net created to prevent destitution has been deliberately shredded by this Government, leaving many to cope with the intensifying cost of living squeeze without effective help. And we have a Tory Chancellor who has said that it would be "silly" to add any extra help until the autumn.

Against that background, the Government's abject refusal to alleviate suffering and use the powers at their disposal to assist those in real need is a disgraceful dereliction of their duty. Their indifference to real suffering will not be forgotten; it will be remembered as the hard times get even tougher for millions of our fellow citizens.

Labour has suggested a one-off windfall tax on the huge unearned profits currently flooding the energy companies' coffers, which would help alleviate some of the suffering, yet the Government refuse to enact it. Instead, we have a hotchpotch of a Queen's Speech, with 38 Bills with no focus and no connection to the realities millions of people in this country are facing. It shows just how out of touch the Government are that they prefer to press ahead with new, repressive laws against "noisy" protests while ignoring the collapse in law enforcement and prosecution levels on their watch,

[*Dame Angela Eagle*]

hoping we will forget the shamefully low numbers of crimes that are currently prosecuted and the even lower numbers which result in convictions.

This Government have let fraud run riot even as they under-resource and fragment any serious police response to it, while millions of our fellow citizens fall victim to scams and con merchants. This is a Government who prefer to campaign than to govern, and a Government who think that policy delivery is issuing a press release. We have a weak Primer Minister who runs No. 10 like he ran the *Spectator* office—as one long, chaotic, bacchanalian, irresponsible party.

So we have today's threat to legislate to tear up the Northern Ireland protocol, and damn the consequences for the Good Friday agreement, or for our international reputation as a country whose word can be relied upon and that respects the rule of law. This is the Northern Ireland protocol that the Prime Minister negotiated, which he hailed as an “oven-ready” triumph, and which he asserted in the 2019 general election “got Brexit done.” Only this Government could be so irresponsible as to contemplate starting a trade war with the EU in the middle of the most ferocious cost of living crisis in generations. No previous UK Government have ever regarded breaking international treaties and breaking their own solemn undertakings as a negotiating tactic, sullyng our international reputation in the process, and our country will rue the day that this one did.

This is a Government who look after their own, allowing a bonanza in dodgy covid contracts for their mates, and passing laws to wreck independent judicial oversight and clamp down on protests. The sooner they are gone, the better.

3.38 pm

**Laura Trott** (Sevenoaks) (Con): I welcome the opportunity to debate this topic and discuss what we can best do to help all of our constituents who are suffering today. Inflation is running at 7% here, 7.5% in Europe and 8.5% in the United States of America. The Bank of England Governor has been clear that 80% of the inflationary forces are outside the Government's control and the reach of monetary policy, so we must look to fiscal policy to do as much as we can, while not making the problem worse by being inflationary.

I turn first to the windfall tax. It is important to get the quantum in perspective. A windfall tax is not a silver bullet. It would be worth £2 billion overall, I think, which is about £72 a household or, if we targeted that at the lowest 25%, £280 a household. Of course that is helpful, but would it solve the problem? No.

I have three concerns about the design of a windfall tax and whether we employ it. First, on protecting consumers, it is unorthodox to suggest that price reductions in a sector are best served by whacking a tax on the producers. It is difficult to see how that would result in price reductions in the sector. Of course, we have the price cap, and that would help in some respects, but without proper controls it is difficult to see how the costs would not ultimately be passed on to consumers.

Secondly, on competition in the market, we all know that the industry is volatile: BP's profits last year were at a record low, and they are now at an enormous high. The right hon. Member for Doncaster North (Edward

Miliband) was absolutely right that BP and Shell have not said that a windfall tax would be a disaster for them, but in many ways they would not say that, because they are huge players in the market and they could absorb it. The problem will be much more with the smaller players and the discouragement to competition that such a tax might result in. I strongly believe that the best way to drive down prices in the market is by encouraging competition. We have lost that recently, and I do not see how a windfall tax would encourage it or get it back in place.

Finally, we need to be clear that the best thing we can do to help everyone is drive up economic growth, which is best served by businesses creating jobs and driving consumption. If we put a windfall tax on industries at random, that will discourage investment. I am not talking about individual projects here and there, and I recognise what BP has said, but in the business environment overall we need to be extremely clear about what our criteria are for imposing windfall taxes and, therefore, the impact those will have on investment in business overall. What we cannot do under any circumstances is give up our reputation for being a stable, low-taxation economy.

That aside, I have one idea of my own to put to the Front-Bench team. I think that we should introduce a measure to make it illegal to disconnect the energy supply, similar to that for the water supply. Following privatisation in 1989, the Water Act 1989 prohibited the disconnection of the water supply to domestic customers for reasons of non-payment. Companies can therefore still take people to court for moneys owed, but they cannot cut off supply. Currently, energy suppliers cannot disconnect households over the winter months in some situations, such as those who live alone or with other people who have reached the state pension age. I propose that we extend that more widely to ensure that, in the very worst circumstances, we do not have people's homes cut off. I hope that can be taken away and considered. More broadly, when we are talking about these issues and how we best help people, let us think about the potential quantum for the windfall tax: what it will raise, the potential harm it may cause and what the alternatives are.

3.43 pm

**John Cryer** (Leyton and Wanstead) (Lab): I will be brief—I have absolutely no choice about that. I was going to say that hundreds of thousands of people are now lying awake at night worrying about paying their bills, but the real figure is probably into the millions. That is certainly the case in my constituency. Day in, day out, I am contacted by people—I also bump into them at various events or in the street—who tell me that they are worried sick about not being able to pay their bills. It is a cliché to talk about the choice between heating and eating, but it is a cliché because there is a great deal of truth in it. Among poorer households, that choice has been there for years—it goes back to the early days of austerity—but that economic insecurity, which again I see in my constituency, is starting to travel up the income scale. My hon. Friend the Member for Wallasey (*Dame Angela Eagle*) referred to comments made yesterday by the Governor of the Bank of England. I think the word he used was “apocalyptic” on the food price rises that will hit this country—and others, to be fair—in the next few months.



**Dame Angela Eagle:** It was.

**John Cryer:** And she was there.

I discovered these stark figures only the other day: only 12 years ago, the number of people using food banks was fewer than 30,000. It is now in excess of 2.5 million. Those figures illustrate what is happening in the country, if no other figures do. They should be sprayed on people's eyeballs. More than 2.5 million people have been forced into using food banks.

This is an economic situation without precedent, certainly in living memory. I had hoped we had learned that at times of national catastrophe, full-scale Government intervention is always the answer. We should have learned that from covid, when it was clear, but the lesson has not been learned, and clearly not by the Chancellor. Full-scale state intervention is the only way to respond in times of national catastrophe. Sadly, the Chancellor is not in his place. Perhaps he has gone for a long lie down to think about the advantages of a windfall tax. We have a desiccated Chancellor who is wedded to the idea that the free market will deliver all, but it will not. We should not really be surprised by that when we have a Minister, the honourable—I use the word in its broadest possible sense—Member for Redditch (Rachel Maclean), who said, very clearly, “If you've got problems, just work a few more hours.” We are sent here to represent people, not attack them. She attacked British workers.

In the same vein, a few years ago, leading members of this Government produced a book called “Britannia Unchained”, which some of us might remember. It said, in very clear terms,

“the British are among the worst idlers in the world. We work among the lowest hours”

and

“we retire early.”

That is just factually incorrect. We work among the longest hours in Europe, and we very often retire later than people in other European countries. That historical contempt for British workers is behind the laissez-faire attitude to the current situation, and if it does not change quickly, we are heading for catastrophe.

3.46 pm

**Mike Wood** (Dudley South) (Con): Helping our constituents with the rising cost of living is clearly the most pressing challenge facing our country, and most other countries in western Europe and North America, over the next year. The issue was rightly at the top of the Queen's Speech, because it needs to be right at the top of the Government's agenda for the year ahead.

Prices are rising right around the world. A number of factors have come together. Some are supply-led; some crucial supplies are still suffering from the impact of the pandemic. Others are demand-led. Pent-up demand has been released, resulting in excess demand, as people make purchases that have not been possible over the past couple of years. There has been a switch to lower-carbon fossil fuels; people are moving away from coal and other dirty fossil fuels to cleaner fuels such as gas. That is all coming together to cause an increase in prices that few of us have seen in our adult lifetime.

A large package of support is clearly necessary. I welcome the support the Chancellor has already announced and introduced, and in particular the strong focus on helping low-paid workers and those most likely to be

struggling. There is last month's increase in the national living wage; the additional money through the universal credit taper, which gives well over 1 million families over £1,000; and, from July, the increase in the national insurance contribution threshold, which will put another £330 in people's pay packets. Together, those measures will mean that the lowest-paid workers are significantly better off. That is part of a £22 billion package, which is an enormous amount. It is difficult to grasp quite how big a number it is. It is, for example, more than the budget for the police and Border Force combined. These are not insignificant figures. They also come on top of the sums that were spent to help to get people through the pandemic, when the wages of 12 million workers were paid, either through furlough or the self-employment income support scheme.

However, many of our constituents are still struggling. As prices continue to rise over the coming months, even more will struggle, so more will need to be done. The Government need to look constantly at what can be done to provide effective and sustainable support. I welcome the special Cabinet meeting last Thursday, and hope that it will be part of a long series of reviews to consider the measures that might be introduced. I urge the Treasury and other Ministers to look at how we can narrow the time gap between the calculation of consumer prices index and earnings growth figures for uprating pensions and benefits, and those increases coming in. The figures are calculated so far ahead of when they come in. In normal times, the difference between, say, September's CPI figures and April might amount to half of 1% of a pension, or 50p or 60p a week. However, when there are very sharp increases in inflation, it can be £4, £5, £6 or £7 a week.

On a windfall tax, I would normally oppose retrospective taxation, but given the circumstances in the energy markets, it can be justified here. However, we need to be confident, as my hon. Friend the Member for Sevenoaks (Laura Trott) said, that the benefits of such a tax outweigh the costs. We have to understand what the costs are, and the benefits are perhaps not quite as high as people imagine. They certainly would not pay for the package that the right hon. Member for Doncaster North (Edward Miliband), the former Leader of the Opposition, set out. There would probably be about £14 billion or £15 billion spare. That would be about £5 per month per household, instead of the large amounts that the Government have delivered.

3.52 pm

**Maria Eagle** (Garston and Halewood) (Lab): I will begin by talking about something that I care a lot about, which ought to have been in the Queen's Speech, but was not: the Hillsborough law and, particularly, the Public Advocate Bill that my noble Friend Lord Wills first introduced in the other place in 2014. He and I have been introducing it in both Houses ever since.

The Bill's aim is to prevent families bereaved by public disasters from ever again having to endure the horrors that the Hillsborough families and survivors have endured over the course of 33 years. Something similar was in the Conservative manifesto in 2017, but it has disappeared, and I do not understand why. Disasters continue to happen and, although each has its own particular circumstances, there are common themes—issues that a public advocate, as proposed in my Bill, would

[*Maria Eagle*]

work to ameliorate at an early stage, saving those affected years of heartache, pain and cost, and saving the public purse millions of pounds. My right hon. Friend the Member for Normanton, Pontefract and Castleford (*Yvette Cooper*) mentioned the issue in her speech, and the right hon. Member for Maidenhead (*Mrs May*) told the Prime Minister on the first day of the debate that he should simply adopt my Bill. Naturally, I agree. The Bill would fulfil a manifesto promise. Why has it disappeared? I simply do not understand it. The Public Advocate Bill should be enacted, and the Hillsborough law should be passed by this place; that is long past due. I hope that, even now, the Government decide to do it. They would get a lot of support from Opposition Members.

The past 12 Tory years have seen economic growth stagnate. It has fallen from 2% a year on average under Labour to just 1.5%, and is forecast by the Bank of England to go negative shortly. Inflation has hit 7% and is forecast to reach 10% later this year. Energy bills are already up 54% this year and will rise further in October. Food and fuel prices are soaring because of the end of frictionless trade with Europe after Brexit, and because of the shocks caused by the Ukraine war and covid. The coming food price increases will be “apocalyptic”, according to the Governor of the Bank of England yesterday, yet the Office for Budget Responsibility says that real wages will be lower in 2026 than in 2008, before the global financial crisis.

My constituents have faced 12 years of frozen wages, and real-terms cuts to the support that they used to rely on in difficult times. The Government recently cut universal credit by £1,000, and have increased benefits by 3% when inflation is more than 7%; that is a real-terms cut for some of the poorest in our society. The Government have just increased taxes for working people by increasing national insurance. It is one of 15 Tory tax rises that have left taxes at their highest for 70 years. The Government’s failure to help the poorest people now is exacerbating the cost of living crisis faced by thousands of families in Garston and Halewood. We need measures to tackle the cost of living crisis, and an emergency Budget that imposes a windfall tax on the oil and gas companies, which are coining it in because of the soaring price of energy—and we need it now. That is why I very much welcome the Opposition Front Benchers’ amendment to the Loyal Address. We really need short-term measures that will help immediately, when the bills need paying, not promises of jam tomorrow, or at some time in the future, when it will be too late to avert serious crises for many families in my constituency.

I say to Ministers, and to some Tory Back Benchers, that the old Tory trick of blaming poor people for their misfortune, as though they were morally culpable, is heartless and shows that, in addition to being callous, they are out of touch. Many of my constituents have been trying to get more hours or better jobs, buying cheaper supermarket brands and cooking on a shoestring, but they are still sinking financially. They simply do not have enough money to live because of increasing costs and real cuts in their income that have gone on for years. Many are disabled, and some cannot work, even though they want to, or change their circumstances easily. Those with caring responsibilities lose more in additional childcare costs after increasing their hours than they gain from

the increased wages that they get for working for longer. Pensioners on small, fixed incomes do not have the financial resilience to cope with huge increases in the cost of living. Many budget their incomes to within pennies, and it is not fair to imply that they are at fault for their situation, or could easily change it if only they bothered to. When this Government begin to realise the truth of that, they might start to think that they should do something about it.

Energy bills are set to rise by a record amount later this year. It is shameful that the Chancellor is not really doing anything to prevent that, and is more intent on feuding with the Prime Minister about his political future than on the future of millions of people in this country. Conservative Members could do some good: they could vote for the amendment tonight.

3.57 pm

**Anne Marie Morris** (Newton Abbot) (Con): What do we mean by the cost of living? Well, we really mean the cost of housing, utilities and food. The argument has been put that they are all out of the Government’s control because they are driven by international pressure, but housing is a domestic competence.

I am concerned that the Levelling-up and Regeneration Bill has missed an opportunity. Certainly in my part of the south-west in Devon, finding affordable housing is well nigh impossible and social housing is almost invisible, and that is because there is nothing in the planning system to, first, ensure that “affordable” really means affordable—there is no regionalisation of the term—or, secondly, stop the argy-bargy between the developer and the planning authority, which means that the sum set aside for affordable and social housing is, in effect, tiny. Local authorities need more power, and they need to be able to hold the line so that we get the affordable property we need, not what the developers want.

Of course, we also have to deal with those problems that, while not generated by domestic drivers, none the less affect every man and woman on the street, and we have to provide help and support, as the Chancellor did very effectively during covid. The support that has already been provided to the poorest in society is very welcome, but I sometimes think that the Treasury does not recognise that everybody is hurting. We need only look at the statistics provided by the Office for National Statistics to see that everybody needs some support. Pensioners on fixed incomes and those who have done the right thing and invested in a home cannot just move or change their mortgage and utility supplier; they are struggling with the same issue of trying to meet the costs of housing, utility and food bills. They need some help. We should not reject solutions just because they impact on and benefit more people than just the poorest.

I am not a great believer in increasing tax; I am a great believer in reducing it. As I have said on a number of occasions, we could move forward by cutting VAT on energy bills. Now that we are renegotiating the Northern Ireland protocol and looking at talking to Brussels, it cannot be right that the VAT on residents across the United Kingdom is not under the Government’s control. That would be a sensible way forward. Tinkering with having MOTs every second or third year, rather than every single year, will not really cut it.

There would effectively be a windfall on the Treasury, which is more appropriate than a windfall on those who provide productivity and general growth in our country. However, the Government need to make ends meet, so there needs to be a thorough look at the various spending commitments and projects. We talk about HS2, but it is only one of many projects in which there is so much vested interest. I recommend that the Government ask the National Audit Office to set up a commission specifically to look at which projects we can and should cut. They may be nice, but they are not necessary.

There is one area that we have not touched on, which is causing a lot of grief. We rightly say, “Isn’t it wonderful that unemployment is at a low level?” But there is a reason for that: the fundamental reshaping of the labour market that has caused a number of people to fall out of employment. In Devon, a number of people in their 40s and 50s are out of the market, meaning that we have a 25% shortfall in that age group. Something is not working. I have talked to employers in my constituency. Unless we fix the issue, we are not going to help them to survive, and we need them to survive in order to carry on paying wages.

We need to look at what is causing the problem. There are at least two things, but there might be more. One is our benefits system. My right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) did a grand job and the Government have implemented much of that work, but the market has changed, so the system needs to be reviewed. It seems that what is stopping people is the challenge of losing housing benefit and childcare. We have addressed this to some extent, but there is more work to do. I suggest that the Government ask my right hon. Friend to set up a taskforce to look at that issue, at the whole structure of employment and at how we can attract people from overseas to work in our markets.

The Gracious Speech has many factors to commend it, but addressing the cost of living is not one.

4.2 pm

**Valerie Vaz** (Walsall South) (Lab): It is a pleasure to follow the hon. Member for Newton Abbot (Anneusb Marie Morris). It is sad that our Gracious Sovereign missed announcing the Government’s programme, but we look forward to seeing her again in the future.

The cost of living is one of the biggest crises engulfing our nations and regions. That is what people have said to us in the recent local elections; from Cumbria to Westminster, they are facing a cost of living crisis. In April, benefits and pensions rose by 3.1%, yet the rate of inflation was 6.2% and is to rise tomorrow. The Government’s independent fiscal watchdog, the Office for Budget Responsibility, says that living standards are set to fall by the largest amount in a single year since records began in the 1950s, and the Resolution Foundation says that the income of an average household will be cut by £1,200 this year. That is the background of life for our constituents, but the Gracious Speech contained nothing to help them.

Some are okay. The oil and gas companies have said they have

“more cash than we know what to do with”.

That is why a windfall tax is the best way to ease people out of this crisis. As my right hon. Friend the Member for Doncaster North (Edward Miliband) eloquently set out, the proposal has been costed; it is not borrowing. It will raise £2 billion, and will give £600 to each household that is most in need and extend the warm home discount. Even businesses are suffering from the increase in energy prices, but it seems that the Government prefer windfall donations or windfall fast-track contracts for their friends to a windfall tax. A Minister says, “Work harder, people”, yet people have to face more insecurity at work because there were no measures to remove the pernicious fire and rehire policy, which must end.

This Government are wasteful, not innovative: £8.7 billion was wasted on personal protective equipment that was unusable, past its sell-by-date and overpriced; the Government are burning £45 million of PPE a month to get rid of it, and the contract for the waste companies is £35 million; and £11.8 billion was lost to fraud through covid support schemes. Just ask the Minister, Lord Agnew, who said it was

“a happy time to be a crook”.

And £71 million was wasted on the Chancellor’s eat out to help out scheme, which Warwick University said accelerated the second wave of the pandemic. We have also had a Government Minister leaving a note on the desks of civil servants telling them to come back, then a week later leaving the note to tell them that he was going to get rid of 90,000 of them. It might be a new Gracious Speech, but it is the same old Government incompetence.

I want to touch on two other points. Planning was mentioned in the Gracious Speech, and some of those proposals will need to be looked at. I welcome the fact that the Government will enhance the green belt but I am not quite sure what they want to do with the revised national planning policy framework. Street votes would pit one neighbour against another, and they must be based on planning grounds. And what do you do with a council such as Walsall Council? Despite 2,000 residents not wanting a transit site in Pleck, the council went ahead—against the wishes of those people, against the site allocation document and against the planning inspector’s agreement—and put it in one of the most dangerous places, where, by Walsall’s own assessment, the acceptable nitrogen dioxide levels are being breached. Young children will be living on that site. It is costing £500,000, yet the council says it has no money for allotments.

On the subject of tinkering with the Human Rights Act, this is about the right to a fair hearing and to be represented; all it does is enact the convention into UK law to provide an effective remedy. Lord Bingham said that every one of the convention rights was breached in the second world war. Just ask the people of Ukraine if they think there should be a Human Rights Act. The Government must remember that the margin of appreciation doctrine allows our country’s unique legal and cultural traditions to be incorporated without flouting the objectives of the convention, and they cannot fetter the ability of judges to do their job, because they hear the evidence.

I agree with the point made by my hon. Friend the Member for Garston and Halewood (Maria Eagle) about a public advocate. That would end the hurt of the people involved in Grenfell Tower, the Horizon post

[Valerie Vaz]

office system, Bloody Sunday and Hillsborough. Remember that the Hillsborough inquiry took 27 years. I also want to congratulate Jürgen Klopp and Liverpool on winning a fantastic FA Cup.

Our constituents are faced with an increase in mortgages, fuel prices, food prices and energy costs; they are all going up. The Union of Shop, Distributive and Allied Workers has found that wages are now lower in real terms than they were in 2008. Our constituents deserve better. They deserve a safety net in bad times but, most of all, they deserve opportunity and prosperity.

4.7 pm

**Richard Fuller** (North East Bedfordshire) (Con): It is a pleasure to listen to the right hon. Member for Walsall South (Valerie Vaz) and to follow her. It is also a pleasure to be able to welcome Her Majesty's Gracious Speech, introduced by this Prime Minister and this Chancellor. They are leading a Government who continue to look at finding long-term solutions to large, persistent problems and having the courage to pursue them fully. The debate today is entitled "Tackling short and long-term cost of living increases", and many of the contributions have rightly focused on the immediate pressures on the cost of living. If I may, I want to mention a couple of points that look at longer-term solutions.

The first relates to an issue that came up in our Business, Energy and Industrial Strategy Committee: the problem of decarbonising home heat. If we wish to achieve our net zero goals in the timeframe that we as a Parliament have set out, one of the most significant challenges will be how our households are to afford changing the way they heat their homes to be consistent with net zero. The up-front cost appears to be about £12,000, and it is well beyond the ability of any household to afford that, essentially to replace something that is working perfectly satisfactorily with something that will hopefully work perfectly satisfactorily but have much less impact on the climate. It was clear in our hearing that no obvious solutions are around today that would solve the issue. That led to a significant debate in the Committee.

I want to draw the attention of those on the Front Bench to solutions around the idea of net zero community green schemes. In a previous contribution I talked about the possibility of attracting the enterprise investment scheme towards a net zero scheme, but there are also ways to get patient capital and pension fund capital in. Bankers without Boundaries has been working with the UK Cities Climate Investment Commission on green neighbourhood funding models that combine the opportunity to retrofit housing—putting in the insulation that many very poorly insulated houses require—with the installation of heat pumps and other work on a community basis, while also considering ways to make the step change in recycling that the Government are trying to accomplish, so that we can make a big step forward on the circular economy.

Interestingly, by doing it on a community basis, we have two significant public gains: a financial model is created that can attract pension fund money because it has a long-term return and is at scale; and we get over the inequities of saying that individual households ought to be providing the finance for achieving net zero, which

means many poor families and households will never be able to make that leap. Attracting such private capital can substantially reduce the cost to the Treasury of achieving that long-term gain. It will not affect energy bills in the short term but, my goodness, it is the sort of idea we need if we are to find a pragmatic rather than ideological solution to achieving green energy change.

I echo the comments of my right hon. Friend the Member for Chipping Barnet (Theresa Villiers), as we need substantial regulatory change in this country. Even since our exit, we have stuck with the EU's sclerotic regulatory powers for too long. We have made insufficient progress towards getting the agility she described, and we rely too much on regulatory agencies that, I am afraid, too frequently show themselves to be asleep at the wheel.

The BEIS Committee has previously looked at the Financial Reporting Council and the Pensions Regulator and their issues with BHS and Carillion. It is nice to see an audit reform Bill in the Gracious Speech, but it is only a draft Bill. We need to look at the issues with Ofgem. Where on earth was Ofgem last year and the year before? Absolutely nowhere. Ofgem's job is to improve competition. We had someone before the Committee who was then at university. When asked whether he had a finance director, he said, "I don't need one." When we pressed him, he said, "Well, I've got my dad." He was responsible for £300 million of consumer expenditure on energy. Ofgem is asleep at the wheel, just as the FRC and the Pension Regulator were historically asleep at the wheel and the Bank of England is potentially asleep at the wheel, so let us have real, substantive reform of our regulatory agencies to ensure that we have performance indicators and oversight by this House and by the public.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Nigel Evans):** The next two speakers will have five minutes, but then we are going down to four minutes.

4.12 pm

**Wera Hobhouse** (Bath) (LD): It was interesting to listen to what the hon. Member for North East Bedfordshire (Richard Fuller) had to say about green community energy funds, but a great deal is missing from this year's Queen's Speech. There is nothing about making misogyny a hate crime or tackling violence against women and girls, nothing about making housing more affordable and, once again, the climate emergency was not mentioned even once. Thousands are struggling because of the cost of living crisis. Now is the time for the Government to be bold on the future of energy, where it comes from and what it will cost.

One of my constituents told me, "I do not heat my home properly, and I stay in bed to keep warm." I welcome the upcoming energy security Bill, but will it say, in no uncertain terms, that the future must be renewable energy and not fossil fuels? Will it set an end date for the UK to stop all fossil fuel extraction and leave gas and oil in the ground? Where is the windfall tax on the super-profits of oil and gas giants that the Liberal Democrats are calling for? Where is the retrofitting programme to save energy and ease the burden of rising bills? Why are developers still able to build homes that

will need expensive retrofitting in a few years' time because the Government have failed to introduce legislation to build net-zero homes now?

Unless we see a decisive legislative programme now, households will struggle with the cost of living crisis far into the future. In Bath and North-East Somerset, the average household energy bill has risen to a staggering £1,360, and research suggests that the Government's short-sighted decision to scrap the zero carbon homes policy has added nearly £400 a year to people's energy bills. Insulating our homes is not just about getting to net zero; it will protect the British people from volatile energy prices and rising bills. The sooner the Government get on with a meaningful and resourced plan to improve the energy efficiency of our homes, the better.

Access to health causes increasing anxiety to my constituents. Bath and North East Somerset has been named as one of the UK's 20 "dental deserts"; we have only 44 dentists per 100,000 people. For many of my constituents, NHS dental treatment remains a distant prospect. One constituent told me that she was afraid to eat in case she broke one of her temporary fillings—anything more permanent would cost private fees. We will face an exodus of dentists from the NHS if the Government do not act and reform the dentists' contract.

What about ambulance waiting times? People in the south-west are waiting longer for ambulances than people anywhere else in England, with waiting times regularly exceeding two hours. This crisis is driven by the crisis in social care. The Royal United Hospital, my local one, has at least 100 beds filled with people who are medically fit to be discharged but have no one to look after them at home. It is essentially a workforce crisis in social care. Unless the Government understand how to make social care a valued and well-paid career, the crisis will continue into the future and get worse.

Finally, where is the promised employment Bill? Ministers have been promising to enhance redundancy protections for pregnant women and new mothers since December 2019, as a direct response to the Equality and Human Rights Commission's landmark investigation into pregnancy and maternity discrimination in the workplace. This Government have wasted six years talking about pregnancy and maternity discrimination at work, and have failed to do anything to tackle it. The Conservatives have been running the country since 2015. In that time, we have become poorer, more divided, more unequal and less able to face the big challenges of the future.

4.16 pm

**Mr Marcus Fysh (Yeovil) (Con):** I draw the House's attention to my entry in the Register of Members' Financial Interests.

As a former global investment manager, I am very concerned about the trajectory of the global economy. Unfortunately, I do not think the UK is going to escape that. I am very concerned that the inflation regime around the world has changed substantially in the past couple of months. The deglobalisation that will be one of the impacts of what has happened through the Ukraine crisis will be a permanent feature and a permanent shift. We need to take account of it and be aware of what this House can do to help people with the cost of living in that environment. We know that the price of food is going to go up, but the price of fertiliser is going

through the roof because supply has been disrupted to such an extent. We are in danger of being complacent about that and the change it will bring about.

I do not agree with those on the Opposition Benches who, as ever, are saying that tax and spend is the way forward. We need to look at ways in which we can help out the Bank of England. It is not the Bank's fault that its only tool is interest rates, but unless we in this House find ways of getting prices down for people now, the Bank of England, like the Federal Reserve in America, will have no choice but to keep jacking up interest rates to the point where demand is destroyed and recession is created. Very severe recession may ensue, and that is incredibly bad for budgets and for balancing them.

I welcome what our Front Benchers have tried to put forward through the Queen's Speech—it is fine as far as it goes, and I appreciate the help that is there for people. I agree with my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) that a focus on regulatory reform is particularly welcome, but unless we take radical fiscal measures to reduce prices now, in a Bill next week or the week after, I am afraid that it will be too late and we will be tipped into severe recession later this year.

I therefore recommend that we look urgently at bringing forward measures to reduce VAT rates throughout the economy and reduce fuel duty. In essence, unless we try, right now, to keep price rises to 4% or 5%—otherwise, they might be plus 10%, plus 12% or plus 15%; we do not know what they will be—we will be in very serious trouble as a country. Inflation hurts most the people at the bottom end of the spectrum. I encourage the Government to target reforms at those people and to make price help available to them. To be honest, I do not think our side of politics has focused enough on what we can do about absolute prices. It is great to help people out, but subsidising higher prices just perpetuates the problem and makes it worse.

We have to look hard at some of these things. Yes, we need to look at investment, and I welcome what the Chancellor said about that. Energy investment is going to be particularly important. We need to focus on making sure we invest in domestic food production so that we get it firing on all cylinders. We need to be almost on a war footing in that respect, because it is that serious. We need to help people with prices and to get our economy moving. I fear that if we do not, we will come up against stagflation, which is very damaging to people's house prices and, in the end, to everything, so we have to focus on that massively.

I come back to the point that growth is the key. I agree that we should try to limit spending and look at ways to reform administration and services—I welcome the talk of reforming the civil service—but at the end of the day budgets depend more than anything else on economic growth for tax revenue increases over time. I really fear that, unless we take action this day, we will be in for a rude awakening. We cannot let our constituents down.

**Several hon. Members rose—**

**Mr Deputy Speaker (Mr Nigel Evans):** Order. The time limit is now four minutes. If anybody can make their points in less than four minutes, they will be helping some colleagues, I assure them.

4.21 pm

**Paul Blomfield** (Sheffield Central) (Lab): It is a pleasure to follow the hon. Member for Yeovil (Mr Fysh), who made some important points about the need for action now, in recognition of the severity of the crisis we face.

I spent yesterday morning at a crisis meeting in a part of my constituency where incomes are lowest. We looked at how the cost of living crisis was impacting on people. The meeting involved the voluntary sector, energy advisers, food banks, debt advisers, schools, housing providers, local councillors and more. We talked about people's real struggles to feed families and pay bills; about the impact of that on the mental health of people who had previously been just managing but could not see how that could continue; about suicide attempts as a consequence of what people in the constituency were facing; and about the re-emergence of the problem of loan sharks exploiting people's hardship.

We discussed the efforts of all those at the meeting to try to offset some of the damage faced by families, and those efforts were extraordinary, but time and again everybody said, "What we are doing is not enough. The Government need to act." A lot could be done, including the restoration of the universal credit uplift, a meaningful increase in the household support fund and, of course, a windfall tax so that we can cap energy bills and reduce VAT on them.

The Prime Minister knows that it can be done. Last Tuesday he opened the debate on the Queen's Speech by telling the House that the Government

"have the fiscal firepower to help families up and down the country with all the pressures that they face now."—[*Official Report*, 10 May 2022; Vol. 714, c. 17.]

The problem is that they are not going to use it. They shrug their shoulders and say, as the Chancellor did again today, "What can the Government do to solve these problems?" It is not true to say that, and they know it.

Other countries have acted. To protect consumers and businesses, France has limited energy bill increases to just 4% this year by taking £7 billion out of EDF's profits. Spain has committed to cutting connection fees and to taxing excess profits on new electricity supply contracts to protect people from soaring prices. It is spending €16 billion on support. Germany has instigated a range of measures, including tax reliefs, a reduction in fuel duty and a monthly public transport ticket costing just €9, which will also encourage the modal shift we need in the way people move about. It is a matter of choice. The Government point to growth as the answer, and growth clearly is important, but their record shows that they cannot deliver it.

In November 2019, before we knew the word "coronavirus", growth was the slowest that it had been in a decade. Our bounce back from the pandemic has been slower than expected this year, with the Brexit deal failing to deliver for supply chains, and the Government's failure to insulate from the cost of living crisis limiting spending and productivity. Either they do not understand the depth of the pressures—and comments such as "learn to cook" or "work more hours" perhaps indicate that they do not—or they simply do not care. If we let people sink or swim, the problem is that too many people will sink. As we know, the money is there. The oil and gas companies have it—more than they know

what to do with. What we need is action now, as the hon. Member for Yeovil said. We face an unprecedented crisis in the cost of living. We needed a Gracious Speech that addressed it. We need an emergency Budget. The Government cannot sit on their hands any longer.

4.25 pm

**Derek Thomas** (St Ives) (Con): I welcome the opportunity to speak in this debate. We have heard much this afternoon about the hike in energy prices. It is well-documented and concerning. However, I welcome the supercharging of the effort to boost homegrown clean energy, which will drive down costs, take the volatility out of the energy markets and cut our carbon footprint. That is all welcome, but more must be done now to help. Those changes will help in the future, but we need help in our homes now, as we have heard. We also need to look closely at the use of the standing charge—a daily charge on every household—which has risen to 50p plus, putting £150 more on the bill. I am concerned that these standing charges will never come down, so it is important that we raise the matter here and that we keep our eye closely on the use of them by energy companies.

We also know that food prices are on the rise, but we are not seeing the same kind of supercharging in the Government's response when it comes to increasing homegrown food production. Now that we have left the EU, the Government have the power to prioritise food production, using money already available through the environmental land management scheme to supercharge food production to make sure that farmers have the confidence, security and funding to produce the food that we need. Surely if there was ever a time to boost food production in the UK it is now.

I know from speaking to many people in food, farming and fishing that the sector is willing to step up and increase production, but, at the moment, they are planning to sow less, rear less and fish less because of their concerns about the cost of fertilisers, fuel, energy and so on. The Government must look very closely at how we can supercharge homegrown food production.

The real squeeze is on household budgets, especially for Cornwall and the Isles of Scilly. One area that we have heard little about this afternoon is the cost of housing. Rents in recent years have rocketed. In my constituency, people can barely find a house to rent. If they can find one, a three-bedroom house costs £1,400-plus, which is a massive increase on perhaps a year ago. House prices have also rocketed in the south-west, and action is needed, and needed now, to address the matter.

I welcome the fact that the Queen's Speech includes a levelling up and regeneration Bill, but it must be a response to the housing challenges in coastal areas in particular. Existing homes must be made more efficient; that would help with energy costs, as we heard from the right hon. Member for East Ham (Stephen Timms). New homes must be protected for permanent residence. It is far easier to get homes built in rural areas such as mine if local people know that they will meet a recognisable need, such as the acute need of housing.

More must be done to safeguard the homes in which people already live. Every week, I meet families who have been turfed out of their homes, and those homes are then flipped for other uses. Landlords are not entirely at fault, as changes in the tax system and the energy

performance rating system have discouraged them from providing homes for local families. I welcome the Government's recent commitment to changing the methodology of energy performance certificates, but more must be done to make sure that being a landlord, or providing homes for people to live in, is both attractive and secure. It is vital that the Government take more decisive action to support home ownership, secure a quality home for everyone who needs one and drive down the cost of those homes through good energy efficiency measures.

4.29 pm

**Peter Dowd** (Bootle) (Lab): I congratulate Liverpool football club, although, as an Everton supporter, I hope people will respect my wishes and not tell them.

The Chancellor seems increasingly tetchy and indignant at the very idea that he should be expected to loosen the purse strings and support those people who are most economically challenged, but today we find ourselves in a scenario where the International Monetary Fund predicts that the UK will have the weakest growth and highest inflation in the G7 in 2023. Even before the pandemic, and before the war in Ukraine, we had weaker growth than the rest of the G7. We were less productive than our German, French and American counterparts by a country mile, and the UK is ranked 24th out of 25 countries in the OECD for public sector investment. In fact, British employees work 38 days a year more than the Germans and are being expected to work even harder. We face even more pain. Research by the debt collection agency Lowell has found that, after factoring in emergency savings, defaulted debt, the claiming of work-related benefits, and the use of payday loans and high-cost loans and emergency credit, my Bootle constituency is in the top 10 constituencies hardest hit by the cost of living crisis.

This crisis can be solved, and the Chancellor can help to solve it, but he will not. He never tires of telling everybody—at least, the diminishing number who are listening to him—that £410 billion has been spent on the pandemic in one way or another. We spent £1.3 trillion in one way or another in bailing out the banks, so we can bail out 66 million people and the millions of people who are in dire straits.

The Chancellor has lectured us for not being supportive of his Budget. Well, it was hardly a Budget; there was nothing in it to be supportive of. There was nothing whatsoever of any significance there. For too many of our constituents who stand on the precipice of falling into deeper poverty, the Government's failure to tackle this issue is deplorable. We need urgent action from the Government now, in the next few days—not in six months, not in a year, not next year, but now.

If the Government will not listen to the Opposition, they should listen to the public. Government Members cannot seriously expect us to believe that their constituents are happy with what the Government have been doing or with their handling of the crisis. At most, we are little further than two years from a general election. We like general elections in Bootle, because we can send a message to the Tories. In my old council seat of St Oswalds, they did not put up any candidate in the local elections. Nobody but Labour put up a candidate in the local elections, because people know Labour are the only ones who are there to support them.

My campaign between now and the next election will remind my constituents—not that they need reminding—and for that matter anyone who will listen, that the Tories are the party of high inflation, high taxation, low growth, low productivity, low skills, low wages, low investment and low aspiration—and that is just for starters.

4.33 pm

**Miriam Cates** (Penistone and Stocksbridge) (Con): Prices have indeed soared in recent months, driven by a number of global factors such as covid and the war in Ukraine. Millions of people are finding it harder to make ends meet. So far, the Government have provided £22 billion of support, including the council tax rebate, a cut to fuel duty and the household support fund, but the heartbreaking stories we have heard in this debate, for example those shared by the hon. Member for Sheffield Central (Paul Blomfield), show that we need to do more. In particular, I think we should urgently review universal credit rates. However, we must also be mindful of the inflationary pressures of pumping more borrowed money into the economy and the long-term debt implications for our children and grandchildren.

I welcome the Bills announced in the Queen's Speech to tackle the cost of living in the long term by addressing some of the structural issues that have caused prices to rise and wages to stagnate. I welcome the energy security Bill, which will secure our energy supply; I welcome the Schools Bill and the higher education Bill, which will drive up standards and offer a lifetime loan entitlement so that people can upskill at any point in their lives. We should also reconsider whether some of the £11 billion a year cost of higher education should be redirected to vocational and technical education to meet skills demands.

I welcome the procurement Bill and the Brexit freedoms Bill. We must make sure that this legislation provides opportunities for British industry, especially the UK steel industry, to win public sector contracts.

I support many of the planning reforms laid out in the levelling up Bill, but we must build far more homes so as to have an impact on prices. We should focus on developing whole new towns, and build hundreds of thousands of social houses, restoring the hope of having a decent home to young people.

The Bills laid out in the Queen's Speech will do much to tackle the cost of living in the long term, growing the economy and tackling rising prices, but the elephant in the room is taxation. The biggest cost in many people's lives now is the state, with taxation levels at a 70-year high. Many Conservative Members, and our constituents, are deeply uncomfortable with this level of taxation. However, not so long ago, when the welfare state was born, life expectancy was 65, people started work at 15, and few lived long into retirement, while the state was not required to pay for childcare or adult social care because women and the wider community provided it unpaid. Now, longer life expectancy, many years spent in education and retirement, and ever better healthcare have increased, probably permanently, the cost of the state.

So what can be done? We might not be able to reduce the overall tax burden significantly, although economic growth, improving our health and strengthening our social fabric will help, but we can reform our taxation

[*Miriam Cates*]

system to share the burden more fairly. Our system of individual income taxation takes no account of how many people each income supports, so a single person earning the average salary of £30,000 a year is obviously better off than a single-earner family of four where the earning parent's wage is also £30,000. The single person has only themselves to support, yet the family have to feed, clothe and heat four people, but both pay more or less the same amount of tax. This individualistic approach to taxation means that to have the same standard of living as a single person on a wage of £30,000, a family of four must earn £74,500—an unachievable figure for many. That makes us an outlier. Many other countries, such as France, Germany and the US, take into account the number of people an income supports. Our system makes it very hard for families to work their way out of poverty, discourages family stability, and fails to recognise the important contribution that parents make to society.

I welcome the Bills introduced in the Queen's Speech, which will tackle the cost of living in the long term, but we must be realistic about taxation—yes, reducing it where possible, but prioritising reforms that tackle generational inequalities and put children first.

4.37 pm

**Kate Osborne** (Jarrow) (Lab): The cost of living crisis presents the biggest threat in a generation to the living standards of the working class in this country. The removal of the energy price cap has meant that bills have risen by up to 54% for millions of households in the UK. This has meant the highest real-terms energy price increase in living memory, with the worst fall in living standards since the 1950s.

Shockingly, the cost of living crisis is having a disproportionate effect on women. According to work done by the shadow Secretary of State for Women and Equalities, my hon. Friend the Member for Oxford East (Anneliese Dodds), more than 7.5 million women are currently living in relative poverty. That translates to almost a quarter of all women across the UK. The TUC has said that the Chancellor's response to the cost of living crisis has been "woefully inadequate". It says that he needs to call

"an emergency budget to get pay rising, help families with soaring bills, and keep the economy moving"—

and it is absolutely right.

This cost of living crisis is underpinned by financial injustice and unfairness. It is a crisis where Tory smoke and mirrors cannot hide the truth, and where people have had to choose between eating and heating their homes while paying crippling bills. Against the backdrop of these cruel choices, oil and gas companies have managed to turn over record profits in the first quarter of 2022, with Shell recording a record quarterly profit of \$9.1 billion, up from \$6.3 billion in the final three months of 2021, while BP has seen its profits for the first quarter more than double on the previous year to \$6.2 billion. This cannot be right.

I was proud to be elected on a manifesto that committed to bringing energy companies into public ownership, which would have regulated prices and ultimately put accountability to the people over profit. This Government should have looked towards countries such as France,

Spain and Germany and used the Queen's Speech as an opportunity to implement a low-percentage price cap on energy prices, and they should have committed to implementing a windfall tax. Calls for a windfall tax are supported not only by those on the Opposition side of the House, but elsewhere, including by the Tesco chairman, John Allan.

If the best this Chancellor can provide is a tacit threat to impose a windfall tax on energy companies, rather than a legislative commitment, that is simply not good enough. The increase in energy prices and the responsibility for the terrifying cost of living crisis stop at the Government's door, and they have failed to use this Queen's Speech as an opportunity to rebalance the financial burden in this country. More people will suffer through their lack of action.

As we emerge from this pandemic, people in this country are enduring one of the worst cost of living crises seen in post-war Britain. The simple fact is that it does not have to be like this, and the Government have a duty to alleviate this crisis by making corporations, and those who can, contribute more. This Queen's Speech was an opportunity to redress the balance, but it was also incumbent on the Government to take action, and they have not. This Queen's Speech, put forward by this Government, has no substance and shows no willingness to redress the balance of power in this country. Unless they do more, I fear for the people I represent in the Jarrow constituency and for those in the rest of the UK.

4.41 pm

**Aaron Bell** (Newcastle-under-Lyme) (Con): It is a pleasure to follow the hon. Member for Jarrow (Kate Osborne).

There is much to welcome in Her Majesty's Gracious Speech, but since I have only four minutes, I will be brief about the Bills in it. The Schools Bill will raise standards and help every child fulfil their potential in this country, and the energy security Bill will tackle the long-term cost of living increases. We have seen the disruption that oil prices can cause, but we can expand on our leadership in offshore wind, build new nuclear and kick-start Britain's hydrogen economy. The Brexit freedoms Bill will make it easier to amend and repeal outdated EU laws.

The Levelling-up and Regeneration Bill will give communities new powers to drive local growth and regeneration. That will build on the success we have already had in Newcastle-under-Lyme from the future high streets fund and the town deal, with more than £50 million of investment brought into our borough by a very well-run council. As I said earlier, it has already paid out to 34,000 residents their £150, whereas so many Labour councils—I mentioned some of them earlier, and I forgot Kirklees, with apologies to my hon. Friends from there—have not paid out their £150. All the words from those on the Opposition Benches about the cost of living squeeze ring very hollow when their councils are not getting that money into people's bank accounts. No doubt that is why Newcastle-under-Lyme Borough Council was returned earlier this month with the first Conservative majority in our history. We won seats from Labour in historic Labour places, such as Crackley and Silverdale. I am very proud of the achievements of that council and the leader Simon Tagg.



Turning to support with the cost of living, many colleagues have said that we are right to target growth and investment in the long term. That is the solution to raising standards in the long term, but we need support right now because of the high inflation that has been stoked principally by the oil price and by Putin's war in Ukraine. I welcome the threshold rise in national insurance, which means that 30 million people will be better off and 70% will be paying less even after the new levy. I noticed that in the Opposition's literature, they said they would scrap the levy, but now they are rowing back on that. Can we have a spending commitment for the next election that they want to scrap it? That levy is going to support the NHS and social care, so if Labour wants to remove it, it should say so.

We are increasing the warm home discount to £100, and extending eligibility to 3 million people. We are doubling the household support fund to £1 billion and investing £200 million per annum in continuing the holiday activities and food programme. I am also very glad that the Chancellor of the Exchequer listened to me and my right hon. Friend the Member for Harlow (Robert Halfon) on fuel duty. That 5p cut is very helpful in a constituency such as Newcastle-under-Lyme, where so many are reliant on cars.

We may yet need to do more on energy, but that depends on where the oil price goes. If the oil price stays high, I am sure the Chancellor will do more when we come to the next round of the energy price cap. I welcome what he said on the windfall tax. The Opposition amendment is unnecessary. I am clear that windfall taxes are unwelcome, although in certain circumstances they may be the right answer, and I am glad to see the Chancellor not ruling anything out. We need to see proper action from the oil and gas companies in investing. If they do not do that, I will be happy to support him, if that is the direction we take. I realise it is a cyclical industry, but there is a case to be made.

Finally, I press the Chancellor to do more about levelling up through the tax system. I urge him to look again at council tax. That £150 for bands A to D was very well targeted at people. It was not just levelling up for constituencies such as mine, where 92% of people are in those bands, but levelling up for anyone in a house in bands A to D across the country. Council tax rates are based on valuations that are now very out of date. No Government have ever had the appetite for a valuation, but there must be some scope to lower the burden on people in lower bands and to increase or add extra bands I and J on top. I put that to the Chancellor.

**Jonathan Ashworth** (Leicester South) (Lab/Co-op): That is brave.

**Aaron Bell:** It is brave—I thank the right hon. Gentleman—but we need to do it to level up the tax system.

More than anything, I am glad to have the Chancellor of the Exchequer leading us through these difficult times. Hon. Members should remember that if Opposition Members had had their way, we would be led by the right hon. Members for Islington North (Jeremy Corbyn) and for Hayes and Harlington (John McDonnell), and we would not be standing up to Putin; we would be excusing him.

4.44 pm

**Rebecca Long Bailey** (Salford and Eccles) (Lab): It is often said that a nation's greatness is measured by how it treats its most vulnerable, but sadly we saw no such measures of greatness in the Gracious Speech. As the Child Poverty Action Group states, it was

“a legislative agenda that risks leaving increased levels of child poverty—currently at almost 4 million and expected to rise further—as its only real legacy.”

What were the Government's priorities, if not to help those in need? We saw ideological flights of fancy, such as forcing through the privatisation of Channel 4, which does not cost the taxpayer a penny and does not need to be privatised, and the British Bill of Rights, which is understood to be a back-door vehicle to undermine the Human Rights Act.

On workers' rights, there was no employment rights Bill, despite years of promises from the Government. In its place was the Brexit freedoms Bill, which many fear will cut safety regulations, environmental protections and workers' rights. People are right to be worried, because despite the Government's warm fluffy protestations to the contrary, some of the Secretaries of State responsible for drafting the Bill wrote a book arguing that Britain needs to adopt a far-reaching form of free market economics with fewer employment rights.

In the meantime, our communities are suffering through the cost of living crisis and the Government seem blinkered to their despair. They hiked national insurance contributions for working people; cut universal credit and pensions by offering only a 3.1% increase when inflation is predicted to reach 10%; and sat back as oil and gas companies sit on record profits while people struggle to pay their bills.

It is clear to everyone—even the CBI and Sir John Major—that the Government must issue an emergency Budget. That means increasing universal credit, legacy benefits and state pensions in line with actual inflation; scrapping the punitive aspects of the universal credit system, such as the five-week wait, the two-child limit, the benefits cap, and no recourse to public funds; increasing the minimum wage to a real living wage, with a pathway, including business support, towards £15 an hour; and a real-terms public sector pay increase.

We also need an extension of the warm home discount, a street-by-street national home insulation programme and a windfall tax on fossil fuel companies. As Greenpeace suggested, the Government could increase the tax level on oil and gas producer profits to 70% as an absolute minimum, which would simply be in line with the global average and would generate an additional £13.4 billion for the Exchequer that could be used to bring down bills and invest in energy efficiency.

Fundamentally, however, for the longer term, we must recognise that although horrific global events are a significant factor in the cost of living crisis, it is the structural issues in our economy and energy system that have left us most vulnerable to global price fluctuations. Closing our main energy storage facility in 2017 without replacing it was a monumental error, but worse still are the long-term structural failures that the privatisation of our energy market has caused. It is undeniable that public ownership is central to addressing the costs and energy security crisis that we face.

[*Rebecca Long Bailey*]

So at the very least our communities deserve an emergency Budget before millions suffer possibly the worst economic crisis that they will ever see in their lifetime. At best, we need to reform our economy and energy system so that they protect people from the crisis that we are seeing today.

4.49 pm

**Mr Gagan Mohindra** (South West Hertfordshire) (Con): It is an honour to speak in the debate on Her Majesty's Gracious Speech. I wish to cover three topics in my limited time: security, the economy and planning.

Hon. Members will be aware that the Northwood NATO base is in my constituency, which it is a real privilege to host. Through the awful war between Russia and Ukraine, we have seen the importance of global security and I welcome the movements of Sweden and Finland to join that global peace organisation. I strongly associate myself with the commitment, as put forward by this Government, of

“defending democracy and freedom across the world, including continuing to support the people of Ukraine.”

However, as well as military might, we also need to think about energy security and food security. I am pleased to see further progress on cheaper, cleaner and more secure energy here in the UK, building on our hugely successful COP26 presidency. As a Member of Parliament who represents a constituency that is approximately 80% green belt, I am really passionate about supporting British farmers and encouraging consumers throughout our great nation to buy British where possible.

On the economy, our primary focus as the Conservative party should be on growing and strengthening the economy, just as it has always been and just as we always have, but particularly now as a means of easing the cost of living. Our stated aim in the Queen's Speech, to grow our economy by taking the responsible approach to public finances, supporting people into work, reducing public debt and, most importantly, cutting taxes is the correct way, in my opinion, to manage our economy. I know that my right hon. Friend the Chancellor is looking forward to doing all of that before the next general election.

The measures set out in this Queen's Speech demonstrate our continued commitment to driving forward our economy while tackling the cost of living, protecting British businesses and investing in a modern, cleaner and greener society. Britain has always been a global country, and I know that my right hon. Friend the Secretary of State for International Trade will continue to secure further deals to boost our economy and benefit our society now that we have the freedom to do so outside the EU.

Planning is a topic that is very important to my constituents. The Levelling-up and Regeneration Bill proposed in the Queen's Speech is a really interesting piece of legislation. I have spoken many times in this place about how beautiful my constituency is. As I have said, approximately 80% of my constituency is green belt, so balancing the preservation of this undoubted natural beauty with the importance of helping families and young people to own their own home is a crucial issue for me. One of the great many pleasures about

meeting my constituents is hearing the passion and love they have for their own area and the strong desire they have to protect its character. I know that the proposed Bill will help with that.

**Sara Britcliffe** (Hyndburn) (Con): One of the points I think my hon. Friend is making is that it is so important to make sure that we utilise brownfield land to the maximum for housing and so on, but does he agree that it is important that local people have their say on the design of their area and what goes where?

**Mr Mohindra**: I absolutely agree with my hon. Friend, and I feel as though she was looking over my shoulder because that is exactly the next point in my speech.

Introducing a Bill for local growth, giving further powers to local leaders to regenerate their own area and reforming our planning system to give residents greater involvement in local development are all positive steps. However, we must ensure that any local devolution from this House on this issue also comes with accountability, where necessary. Part of my constituency covers the Liberal Democrat-led Three Rivers District Council, and it is disappointing that there have been continual delays in the local plan process. That is unacceptable, especially when the Liberal Democrats continue to blame both the Government and the independent Planning Inspectorate for what I regard as issues that they should primarily be dealing with themselves. Local people absolutely should play a bigger role in deciding how best to improve and expand their local area, and we must be tougher on local councils that seek to play party politics and pass on all the blame for the decisions they are taking.

In closing—I realise I have taken enough time in the Chamber—I welcome the measures introduced in this Queen's Speech, particularly those affecting security, both of ourselves and of our friends and allies; the economy, which we must continue to grow sustainably and with as little taxation and spending as possible; and planning, which will allow us to give local people more of a voice in protecting their communities.

4.54 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): Since I was first elected in 2015, I have seen things go from bad to worse for struggling people and families under the Tories in this Chamber. I used to say that people should not have to choose between heating and eating; I did not expect the Tories to take away even that option from people. We hear today that people are self-disconnecting from gas and electricity, or storing food outside their refrigerator to save money by switching it off, in dangerous circumstances. This is a dreadful time and people are facing dreadful conditions. They are unable to wash clothes or wash themselves, use cookers, or even switch on the lights. People are struggling. They are seeing energy companies put up their bills, sometimes increasing direct debits by hundreds of pounds per month, even though there is little evidence that that is required.

All this is happening, yet this Government and a complacent Ofgem are doing next to nothing. They should be doing everything in their power, yet their inaction can only lead to the conclusion that they just do not care. They ought to step in to help off-gas grid

customers and businesses, because they face an even heavier burden: unregulated liquified petroleum gas and heating oil prices are rocketing, and they face cost rises three to four times greater than everyone else. Businesses off-grid are hammered, as are small and medium-sized businesses in general, who have no cap to protect them. What is the point in having a regulator that will not regulate and a Government lost in their own rhetoric?

At this time my constituents are noting a £20 per week increase in their weekly shop, which is another £80 a month that families can ill afford. Was it lunacy that this Government, knowing that people were facing rising inflation and rocketing energy prices, moved to cut the £20 a week from universal credit, or was it ideological cruelty? I will leave that to others to decide.

In Scotland, the Scottish Government have already been mitigating the imposed costs on families, spending £350 million to nullify the bedroom tax and, as we heard from my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown), spending four times more per head on insulating houses and properties. When the UK Government took away £20 a week from families, the Scottish Government gave them the Scottish child payment of £20 a week, soon to rise to £25, providing real help through very limited powers.

What does this Chancellor do? He gives a tiny council tax cut and a payday loan. As the hon. Member for Sheffield Central (Paul Blomfield) said, the UK Government do have choices. Norway, for example, an independent country similar in size to Scotland in terms of resources, will reimburse households for 80% of all their electricity costs above an affordability level. Why are the UK Government not using their powers, reserved to this place, to take meaningful action? It is because they just do not care.

Scotland is at the moment stuck with the bad choices that this place makes. The people of Scotland can now see even more clearly that when the powers lie in Scotland their Scottish Government will make the choices to protect and support them, in contrast to what happens in this place. There is a hope, however: they can see that the change our people, our families and our communities need is coming. The powers of a normal independent country are needed more than ever, and they are coming soon.

4.58 pm

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): It is a pleasure to rise to speak in this debate, and to be the last Member on the Conservative Benches to do so, because it has given me the opportunity to listen to the entire debate, and what an interesting debate it has been.

We have heard that the Liberal Democrats position is to leave all oil and gas in the ground, which makes for an interesting debate on how we will develop our hydrogen-based economy if all the gas is to be left in the ground. We heard the SNP endorse Labour's plans for a smash-and-grab raid on one of Scotland's most successful industries—they couched it in ambiguous terms, but the people of Aberdeenshire and the north-east of Scotland heard them loud and clear.

We heard the former Leader of the Opposition, the right hon. Member for Doncaster North (Edward Miliband), making offensive remarks, frankly, about the oil and

gas industry in his opening speech, because he stood at the Dispatch Box and described profits being made by the oil and gas companies as unearned. I ask him to come up to my constituency of West Aberdeenshire and Kincardine and say to the men and women who go off in the North sea for weeks at a time, in difficult and sometimes dangerous circumstances, to provide the energy that keeps the lights on in this place and around the country that the profits of the companies they work for are unearned.

The right hon. Gentleman also referred to former Governments looking favourably on the introduction of a windfall tax. He is right: former Labour and Conservative Governments, Chancellors and Prime Ministers have introduced windfall taxes—but what happened? Every single time, investment in the North sea went down. It is a funny plan: supporting working people by putting the very jobs that they rely on at risk. That is what Labour's plan would do.

The former Leader of the Opposition also selectively quoted Mr Bernard Looney of BP; Mr Looney said that no current plans to invest would be affected by a windfall tax, but he has also made it clear that future plans may be affected. The former Leader of the Opposition mocked the idea that, over the last eight years, the UK's oil and gas sector has been struggling. Does he not remember the oil price crash of 2015, when a barrel of oil went from \$107 to \$44 in just seven months? Is the Labour party so out of touch with Scotland these days that it does not know the effect that had on north-east Scotland's economy? Probably, because under his leadership his party lost all but one of its Scottish Labour MPs.

Those who have listened to the Labour party's rhetoric on tax today would suspect that the oil and gas sector was paying no tax whatsoever. In fact, oil and gas companies pay three separate profit-based taxes on oil and gas production: they pay corporation tax and a supplementary charge, and for years have paid a further petroleum tax on top of that. The industry is the most taxed in the country. The Office for Budget Responsibility has forecast that the upstream sector will pay £18.5 billion in production taxes between 2021 and 2025 and a total of £23.4 billion through to 2027, which is £13 billion higher than the previous forecast in October 2021.

The Opposition are confusing facts with their own spin. BP did not say that taxation has no effect on its investment. It was clear, as others have been, that further investment would be hampered by higher taxation. They talk about the industry as if it is just BP and Shell. That tells of a total ignorance of the industry, and of all the other companies whose fields are in the North sea, and whose fallow years follow those of the majors. The Opposition forget about the supply chain; the small trade across the north-east that ties us to the continent and to our Nordic friends; the students taught; and the discoveries made through research on oil, which will create the green future that we are all calling for. They forget that we are relying on the industry for answers.

It is good that the Chancellor is keeping all options on the table. Of course, we want investment in green technologies as we move forward, but Labour's plan is back-of-the-fag-packet stuff. It is high on rhetoric and low on substance. Typical! Same old Labour.

5.2 pm

**Carla Lockhart** (Upper Bann) (DUP): Across the House, we are all acutely aware of the challenges faced by our constituents. The groceries budget puts less in the supermarket basket than it did a year ago; the electricity or gas top-up card does not last as long as it did a year ago; and £20 of diesel does not take a car as far as it did a year ago. Those additional household cost pressures are being felt at a time when many people have just experienced real-terms cuts to their income and/or benefits. Furthermore, not that long ago, the £20 uplift to universal credit was withdrawn by the Government, despite appeals from Opposition Members, and from charities across the length and breadth of the UK.

For the squeezed middle, childcare costs continue to increase and mortgage costs face steep rises. The reality for so many is that wages are failing to keep up with the increase in the cost of living. The national insurance hike and the cumulative impact of all those pressures will result in households' disposable income shrinking. The bite is being felt.

It ought to be of great concern to the Government that the OBR has warned that UK residents face the biggest living standards drop on record. That is why it is deeply disappointing and distressing for those feeling the squeeze that although we were told that the Government's priority is to help

“ease the cost of living for families”,

in reality, nothing is being done to deliver on that right now. The Government announced 38 Bills last week. Many of them have great merit, yet there was nothing to address the immediate pressures facing households and families across the United Kingdom. A windfall tax on energy companies enjoying soaring profits was absent. The opportunity to cut taxes or reverse the inexplicable national insurance rise was missed. The Government repeatedly tell us that they are a party of low taxes. Surely now is the time to prove it.

For those in Northern Ireland, the opportunity to give a clear legislative commitment to addressing the issue of the Northern Ireland protocol was also absent. The protocol exacerbates the cost of living crisis in Northern Ireland. The cost of bringing goods into Northern Ireland has increased by around 27%, according to our haulage industry. That cost is being passed on to businesses and consumers. Indeed, the Prime Minister himself has argued that the protocol is restricting his ability to help our post-covid recovery and holding back economic growth. He is right.

As the hon. Member for Newton Abbot (Anne Marie Morris) outlined so eloquently, the new UK-wide VAT cut on renewable energy products cannot be implemented in Northern Ireland because of the terms of the protocol. That is a wholly unacceptable situation that no Prime Minister or Government of this United Kingdom of Great Britain and Northern Ireland can preside over. The Prime Minister knows what he must do. Today's statement from the Foreign Secretary is welcome, but we must see action. I regret that thus far the Chancellor has been an absent Chancellor when it comes to visiting Northern Ireland. I again extend an invitation to him to come to Northern Ireland and hear from my constituents and businesses who are feeling the squeeze.

In conclusion, the long-term objectives identified by the Government—higher wages, more highly skilled jobs and a move towards our own supply of cheaper and cleaner energy—are very welcome, but families cannot wait for those objectives to become reality. For many, the pressure is being felt acutely now. They need action now.

5.6 pm

**Holly Lynch** (Halifax) (Lab): In the time I have, I will focus on two groups who have been in touch with me on the cost of living crisis. Many colleagues have outlined the scale of the problem facing the country. The latest Bank of England forecast is that inflation will peak at 10.2% in the fourth quarter of 2022. Alongside that, domestic gas prices have increased by 28% and electricity prices by 19%. The OBR expects that household incomes will not begin to recover until the second half of 2024. The devastating combination of increases amounts to such a battering on household incomes that the Resolution Foundation estimates an extra 1.3 million people will fall into absolute poverty in 2023, including half a million children.

There is one group in particular who I know have felt particularly vulnerable to the increase in costs: those living with disabilities and families caring for loved ones with disabilities. I want to pay tribute to my constituents Nadia Clarke and her mum Katie, who are both inspirational and tireless campaigners. Nadia had to spend months challenging her care payments when they went up from £15 to £68 per week. Nadia is not alone. Too many are having to make substantial contributions to financing essential care, while also facing price increases across the board. The latest data from Citizens Advice is that 60% of those who contacted them with fuel poverty concerns in 2021 were disabled people. Research undertaken by the charity Scope demonstrated that the extra costs faced by disabled people add up to £583 a month on average. It stated:

“Energy for powering essential equipment, such as hoists, beds, breathing equipment, powered chairs and monitors was already expensive.”

It stressed that

“these are not optional extras that can be cut back. This is vital, often life-saving, equipment.”

In an online video that Nadia shared, she says:

“it is not acceptable for disabled people to be forced to pay care charges and choose between the support they need and food on the table.”

She is absolutely right.

Similarly, last week I was contacted by a gentleman who raised concerns for his sister-in-law, who lives in Halifax. She is on oxygen for 16 hours every day. Her husband is her main carer, but he is also recovering from cancer. Faced with unavoidable additional electricity bills and heating costs, they were feeling desperate about their situation. Thankfully, they have been able to arrive at an arrangement on their electricity bill with the company that supplies the oxygen, but it is just one more example of how the cost of living is proving unbearable for those who have additional needs.

Coming from a policing family, in my time here I have often sought to be an advocate for the men and women on the frontline keeping our communities safe. We hear just how badly the cost of living crisis is impacting even those working in our emergency services

and on our frontline. That feels all the more shameful when we consider what we ask of them. In a recent Police Federation survey of its members in my area of West Yorkshire, 43% of respondents reported worrying about their personal finances every day or almost every day, and 12% reported never or almost never having enough money to cover all their essentials. A chief superintendent recently told me that PCs, and new recruits in particular, were increasingly seeking permission to work a second job on their rest days. One new recruit on a starting salary sought permission to work as a carer. It is perhaps no surprise that 94% of respondents said that they do not feel respected by the Government. The Government must do better.

The windfall tax would be a straightforward, fair and appropriate intervention for the Government to make. BP and Shell alone are on course to make a combined profit of almost £40 billion this year, and there is widespread public support for a windfall tax. Even the Conservative Chair of the Treasury Committee—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. I am sorry, but we will have to leave it there.

5.10 pm

**Caroline Lucas** (Brighton, Pavilion) (Green): We are in the grip of multiple crises: a cost of living scandal that is pushing millions of households into fuel and food poverty; a war in Ukraine with disastrous consequences; and the accelerating climate and nature emergencies. In the short time that I have, I want to outline their common roots in our fossil fuel-based energy systems.

The cost of living crisis is the most visible part of a deeply entrenched social crisis that the Government have systematically not only ignored, but actively exacerbated. Even now, we get the ignorance and arrogance of Tory MPs lecturing about value brands and learning to cook “properly”. I sometimes wonder what planet they are on. In the sixth richest country in the world, more than 2 million adults did not eat for a whole day last month, because they could not afford or get access to food. That is not just a crisis; it is a scandal.

The international price of energy and fuel, a global pandemic, the war in Ukraine and disruption to supply chains are all factors in what is happening to inflation and the cost of living, as is Brexit, but make no mistake: the associated social scandal is a direct result of this Government’s political choices, which include cutting universal credit and refusing to uprate benefits in line with inflation.

The choices locking us into fossil fuel reliance and climate catastrophe are equally unforgivable. Companies such as BP and Shell are gambling on Ministers failing to rein in their deadly plans for more oil and gas production. They are deadly because, as the International Energy Agency has warned very clearly, there can be no new fossil fuel exploration and development if we are to keep global heating below the 1.5°C threshold, yet the fossil fuel giants are investing in carbon bombs that will accelerate climate breakdown, and the consequences will be felt heavily by the poorest and most vulnerable. That is nothing less than criminal.

The Government’s choices have consequences for the war in Ukraine, too, and for Putin’s war chest. I welcome the consensus that we must stop financing his war crimes, and need to stop importing Russian oil and gas.

However, I cannot welcome the fact that, for years, policies that could have brought us to a place of energy resilience have recklessly been torn up, with UK energy bills nearly £2.5 billion higher as a result; or the fact that the Government are about to deliver an unambitious, under-financed energy strategy that will leave millions in poverty and accelerate the climate crisis while doing nothing to reduce the UK’s dependence on Russian oil and gas.

Here are five policies to help us rise to the challenge. The first is a street-by-street, local authority-led retrofit revolution. That is the cheapest, fastest and most effective way to cut household bills, reduce demand, cut climate emissions, and create thousands of jobs in the process. The second is a transition to the abundant homegrown renewables with which our nations are blessed. Those renewables are already cost-competitive; onshore wind is six times cheaper than gas. The third is a dirty profits windfall tax on the obscene profits of the energy giants, but it should not stop there; instead, it should pave the way for a carbon tax levied on every tonne of CO<sub>2</sub> released. That critical lever would help to shift us fairly towards a clean, green economy. The revenue would contribute to free home insulation for those who need it, free public transport and a universal basic income.

Fourthly, there should be no more subsidising of fossil fuels. The UK has one of the most lax regimes in the world for the oil and gas sector. For example, in 2019, companies got away with paying 12.5 times less tax for a barrel of oil produced here than for one produced in Norway. In 2020, Shell effectively paid no tax at all in the UK; it is the only country in which Shell operates where that was the case. Why does the Gracious Speech not include legislative proposals to kick these climate criminals out of Britain for good? Tell Shell that it is not welcome to relocate its headquarters to London. We should introduce laws that would allow us to put on trial not the peaceful protesters who are defending our futures, but the energy bosses who commit crimes against humanity by continuing to plan vast oil and gas projects that would shatter the 1.5°C climate goal.

Finally, there should be no new oil, gas or coal licences. Every penny spent pumping oil from the North sea is making the future less liveable. That is absolutely unacceptable. It is criminal, and it has to stop.

5.14 pm

**Jeff Smith** (Manchester, Withington) (Lab): It is a pleasure to follow the hon. Member for Brighton, Pavilion (Caroline Lucas). I agreed with much of what she said.

This is a Queen’s Speech from a Government who have the wrong priorities and are running out of ideas. Our constituents are struggling to get by, let alone live well, and the Government’s response has been a parade of out of touch and, frankly, insulting ministerial media appearances. There is a huge gap where there should be a strategy to tackle the cost of living. As many have said—not just in this Chamber, but in business as well—we need an emergency Budget, because we need immediate help for struggling families in Manchester, Withington and across the country. We need the windfall tax on gas and oil profits, and I am looking forward to voting for it tonight. We have heard warm words from a number of Conservative Members—they could join us tonight and make a difference by voting to give real help to people who need it at a time of crisis.

[Jeff Smith]

Some important measures were not in the Queen's Speech. It is disappointing that the fan-led review of football governance has resulted in only draft proposals rather than a Bill. We have been calling for a long time for the acceptance of the recommendations, and especially for the creation of an independent regulator. The Government have, in fairness, said that they will do that, but they have kicked it into the long grass. It is urgent for the future of our national game. Bury has already collapsed, Derby and Oldham have struggled, and we have seen in the media that more clubs across the country could be on the brink. Under the Government's new timetable, a regulator would not be in place until at least 2024—although I think it could take longer than that—which for many clubs could be too late. We have already had extensive research, consultation and engagement with fans and stakeholders. We need to get on with it. Football clubs are at the heart of our communities, and we need a suitable governance system.

A quarter of mental health beds have been cut. Right now, 1.6 million people are waiting for mental health treatment. We know that the pandemic has made the situation worse: depression has doubled and crisis referrals are up by 15%, including among under-18s. It is welcome that the Queen's Speech committed to overhauling the Mental Health Act 1983 and to introducing a long-awaited mental health Bill, although again only in draft. That is overdue and I welcome the fact that the Government have accepted the recommendations of Sir Simon Wessely's independent review. Alongside reform of the Mental Health Act, however, we must see real action on early intervention, to reduce the number of people becoming unwell in the first place and ensure that those who are struggling can access help early. We also need a proper workforce plan, as Labour has promised.

After three years and many promises, where is the employment Bill? It is really disappointing. It could have addressed statutory sick pay, flexible working and the rights of people in precarious employment. A number of young people earning the minimum wage in the night-time economy would benefit from a specific measure that the Government have not introduced even though they promised to do so—namely, letting them keep their own tips. Lots of bars and restaurants are great employers, but some keep the discretionary service charge. The Government promised to sort this out, but they have not done so. That should have been part of an employment Bill.

The climate crisis is urgent, but, as we have just heard, the Queen's Speech sets out very little to address it. The draft energy security Bill will not address the short-term struggles with household bills or help improve energy efficiency, the most cost-effective way to reduce energy bills permanently. While sitting here waiting to speak, I received an email from my energy supplier telling me that my monthly direct debit payment is doubling. On my MP's salary I can manage that—most people in this Chamber will be able to manage that—but so many of our constituents will not. They need our help, and they need it now.

5.18 pm

**Stephanie Peacock** (Barnsley East) (Lab): It is a pleasure to follow my hon. Friend the Member for Manchester, Withington (Jeff Smith).

People across Barnsley East are really worried about the cost of living. The biggest concern for many is the rising cost of energy. A man from Wombwell wrote to me to say that he works two jobs and his wife works another. They live together in a terraced house with their two children, and they can no longer afford to heat it. A local business in Kendray has seen its energy bills rocket from £3,800 to more than £15,000 a year. It compared more than 16 suppliers, and that was the best offer it could find. A retired nurse living in Grimethorpe contacted me in great distress. She lives off her NHS pension of just over £16,000 a year and has seen her fuel bills double from £900 to £2,000. Being just over the qualifying mark for fuel allowance, she has no support, so she simply cannot afford the price rise. Having cared for others all her life, she is now being left uncared for.

When ordinary working people and local businesses cannot afford heating and food, it is not the cost of living but the cost of simply surviving that has become too high. Today this House will vote on whether to introduce a windfall tax. We have a choice between letting gas companies keep the huge profits that they have admitted are more than they know what to do with, and helping hard-working people.

Some of the most worried people are pensioners. Indeed, the basic state pension will be worth hundreds of pounds less in real terms this year, thanks to the Conservative Government's decision making. The cut will be especially hard for Barnsley's former miners, who worked in dangerous conditions to keep our country's lights on only to have 50% of their pension pocketed by the Government. Just as Ministers broke their promise to protect the triple lock, they have failed to review the mineworkers' pension scheme as recommended by the cross-party Business, Energy and Industrial Strategy Committee report, which concluded that the Government "should not be in the business of profiting from mineworkers' pensions".

At the last general election, the Prime Minister committed to action on the issue, yet the Government have taken £4.4 billion of miners' money to date. The figure is set to rise to £6 billion, while the average miner receives a pension of just £84 a week.

This Queen's Speech is a missed opportunity to help those who are struggling. How high do prices have to rise, how many more pensioners must freeze and how many children must live in poverty before the Government finally step in?

5.21 pm

**Ben Lake** (Ceredigion) (PC): It is a real pleasure to follow the hon. Member for Barnsley East (Stephanie Peacock), who made a powerful speech. Her constituents' accounts sadly chime with those of many in Ceredigion. I also add my voice to those of others who have spoken of the pain that rising energy bills are causing to households the length and breadth of the UK.

Sadly, the impact of the rises is being felt acutely in Wales, where even before the current crisis a third of children and a quarter of working-age adults lived in poverty. I regret to note that reports suggest that as many as 45% of households in Wales could now be in fuel poverty following the latest energy price cap increase. The experience of rural areas underlines the urgent need for action. In addition to the increases arising

from a higher energy price cap, rural areas have seen large increases to already high standing charges. For example, the daily rates for households in my constituency of Ceredigion are on average 50% higher than those levied in London.

Compounding the crisis for my constituents is the fact that some 35% of households are not connected to the mains gas grid, so rely on heating oil. On average, they have seen a 150% increase in the cost of their fuel deliveries—that is, when they are able to receive deliveries—as they are not protected by the energy price cap. Rising energy prices not only squeeze household budgets; coupled with higher fuel prices, they threaten the rural economy and risk stoking a wider social crisis. I take no pleasure in noting that Wales is the most car-dependent nation in the UK. We need significant investment in our public transport infrastructure.

We sometimes forget that rising petrol and diesel prices have a severe impact on public services. When those prices increase, maintaining rural bus routes and school transport services becomes harder. Perhaps more worryingly, crucial workers, such as social carers, find it difficult to afford to work. In constituencies such as mine, with a higher-than-average number of retired and elderly people, that is a particular concern. Some short-term relief could be gleaned from the rural fuel duty relief scheme, which I urge the Government to extend to Wales.

The crisis is having a real and immediate impact on people across the UK, and is among the most pressing issues requiring Government action. As chair of the all-party parliamentary group on fuel poverty, I urge the Government seriously to consider National Energy Action's proposals for a new social tariff to enhance protection for the most vulnerable customers. Such a proposal should be accompanied by efforts to increase the visibility of, and support offered through, schemes such as the discretionary assistance fund, and by an extension of the warm home discount and winter fuel payment to all low-income households. That would address the short-term pressures emanating from higher energy prices.

A long-term solution would be a significant increase in funding for energy-efficiency measures. In particular, the Government should bring forward ECO4—the energy company obligation—legislation without delay to ensure that insulation measures are installed for the poorest households as soon as possible. Reports, and the discussion this afternoon, suggest that the Chancellor may well be contemplating a one-off windfall tax on energy companies as a means of partly funding such a support package. I want to let him know that he would enjoy the support of many Members on both sides of the House should he decide to do that, because families in my constituency quite simply cannot afford the price of continued inaction.

5.25 pm

**Fleur Anderson** (Putney) (Lab): The Queen's Speech had two challenges. One was to tackle the cost of living crisis and the other was to tackle the climate crisis, but I feel, on behalf of my constituents in Putney, Roehampton and Southfields, that it does neither. The number of people in energy poverty across the UK has gone up from 4 million last September to more than 6 million today, and it will continue to rise. Pensioners are at the sharp end of the Tory squeeze on finances. They are

paying twice as much for energy and facing the biggest real-terms cuts to the state pension in 50 years. On the other hand, energy companies have recorded record profits of £12.4 billion in the first three months of this year alone and petrol retailers are profiting from the cut in petrol and diesel duty, keeping about 2p of the 5p that should be passed on. The Government have not got a grip of these issues. We need a windfall tax on oil and gas producers' profits to bring down bills, and an emergency Budget.

Over the past few days, Conservative MPs and Ministers have been lining up to show how out of touch they are, and it really worries me that this kind of “on yer bike” thinking is still guiding decision making. Increasing poverty is not a failure of budgeting, it is not a failure of cooking skills and it is not a failure of magically being able to get a new job.

Dan lives in Putney and he wrote to me last weekend about his dilemma. He has two young children and his wife stays at home to look after them. They cannot afford childcare. He works 40 hours a week for £9.50 an hour, and he has been offered additional hours. He could take those hours, which would mean he was working 60 hours a week and would not see his children very much. After the resulting cut in universal credit, that would give him only an extra £177 per month, the equivalent of £2.95 an hour. That is not a fair decision for him. He says that

“the system is broken for people like me”.

It is for people like Dan that the Queen's Speech should have had more policies.

A pensioner has contacted me. She has active Crohn's disease and she cannot afford to turn on her heating. Steve also wrote to me. He is 77 and self-employed, and his energy bills have gone up from £246 to £890. He has no idea how he will afford that.

They are just three people, but they are examples of so many among all our constituents. Wandsworth food bank says that six out of 10 parents have skipped meals in the last month to put food on the table for their children. People on the lowest incomes are the best at budgeting and the best at knowing how to make meals stretch. They cannot just work extra hours. In fact, half of all referrals to Wandsworth food banks are people in work. Their income just does not cover the essential bills. So where was the employment Bill in the Gracious Speech?

We also need to see the green homes grant return in the energy Bill. We need to see a retrofit revolution really tackling the climate emergency—one that covers all homes and that will be there for 10 years or more. The current boiler upgrade scheme is the absolute least we can do. We should do so much more. On behalf of my constituents, I demand more action on the climate emergency, more action on employment rights and more action to tackle the cost of living crisis. I hope that all MPs will vote for the windfall tax tonight.

5.29 pm

**Mick Whitley** (Birkenhead) (Lab): In my constituency and in similarly deprived areas around the country, the Government have been remarkably silent about what they intend to do about the cost of living crisis in their legislative programme for the coming year. While some on the Conservative Benches have advised the poorest in our country to take up cookery lessons or scour the

[Mick Whitley]

shops for the cheapest brands, the Government have offered little more than scraps from their table. A £200 loan here and a £150 rebate there—such measures give little comfort to people whose housing benefit has been frozen since 2020 while rents have skyrocketed. They offer no long-term solution to those whose benefits and pensions have been cut and pegged back, nor do they help those in work who face soaring prices and falling wages.

Family budgets are at breaking point, and two in five people are now buying less food because of the cost of living crisis. In April, 2 million adults skipped a day's eating to try to save money. The Resolution Foundation predicts that almost 1.5 million people, including half a million children, will fall into absolute poverty next year. This is what food inflation of 9% and rising means for millions, and it is what energy costs heading for a 54% increase are inflicting on the poorest and most vulnerable people in this country. It is a Sophie's choice of heat or eat.

The cost of living crisis is a war on the poor, and it is the scourge of countless working families. It is scandalous that the chief executive officer of Tesco has just pocketed a pay packet of almost £5 million for one year's work. A customer assistant at Tesco would have to work for 267 years to earn the same as the CEO got for 12 months' work. That should be a badge of shame.

A Government who care about their people should be working towards both short-term and long-term solutions in their plans for the year ahead. Sadly, this Government plan for very little beyond their own self-preservation. In the short term, we can help people by introducing a windfall tax on the profits of the fuel giants. Two big oil companies coined in more than £12 billion in the first three months of this year. Let us tax them to help those who cannot afford to heat their home. Even top directors such as the CEO of Asda are calling for it now. Let us restore the £20 universal credit uplift to prevent the poorest from sliding into irreversible food and fuel poverty, let us immediately provide extra funds to hard-hit pensioners through extra warm home and winter fuel payments, and let us set a real living wage at a level on which people can really live.

In the long term, we need to address the economic problems at the heart of our economy that are the legacy of industrial vandalism by the Conservative party over many years. We need to stimulate inward investment by recasting our economy through a green industrial revolution that can provide hundreds of thousands of well-paid jobs and can create industries, including vibrant, publicly owned ones, that meet our energy needs on a clean and green basis, helping to save our planet while overcoming the chronic failings of the current supply chain. We need a progressive wealth tax, and we need to close the loopholes that enable the rich and the corporations to evade the taxes they rightfully owe. Fair taxation can pay for the uplift and reform of the benefits system, which currently punishes the poor. Benefits and pensions must be substantially increased and inflation-proofed.

Finally, where the Government control wages, they must scrap the miserly below-inflation pay limits that are really pay cuts. These cuts took, on average, £845 away from NHS workers last year. We clapped their efforts during lockdown, and then the Government slashed their wages during crackdown.

These are the answers to the cost of living crisis, and they should be in the legislative programme for this year.

5.32 pm

**Christian Wakeford** (Bury South) (Lab): I listened with great interest to the Gracious Speech last week and was left bitterly disappointed. It will go down as a speech of missed opportunities, all through the choice of the Prime Minister. Under this Government, we are heading back to a time that was simply about the haves and have nots. People can either afford the basics or they suffer.

Workers are seeing a decline in their living standards not seen since the Victorian era and the Poor Law of 1834. We are seeing a return to that miserable time, when volunteers pulled together to plug so many holes left by the purposeful underfunding of the state. Eighty years ago, Beveridge spoke of the five giant evils that plagued society, and I am afraid that Conservative Members are propping up and presiding over a return to those evils—or they would be if they were here today.

Beveridge spoke of want, and this could have been a Queen's Speech that addressed the concerns about the cost of living crisis that is currently gripping the nation through an emergency Budget or a Bill to propose a windfall tax on large energy companies. Instead, food banks boom while people make the choice between heating their home and feeding themselves and their children. Imagine a world in 2022 in which one in four parents are skipping meals because they cannot afford it. What solutions have Conservative Members come up with? Learn to cook. Work harder. Work longer. It is absolutely shameful.

Beveridge spoke of disease. This was a Queen's Speech that showed that there is no plan for our creaking health service and NHS waiting times. There is no plan to deal with access to NHS dentistry. There is no plan to increase the number of GPs. There is no plan to tackle either the stigma or the problem of addiction, which is a matter close to my heart, as Members will know, because no one chooses to be an addict.

Beveridge spoke of ignorance—not the kind of ignorance shown by the Prime Minister and Chancellor while they put their heads in the sand; he was speaking about the education of our children. The attainment gap is widening further still and, yet again, there is no plan in sight. Our children cannot learn properly if they are hungry, and our teachers cannot teach properly if they are not supported, yet nearly 18,000 schools are facing brutal cuts to their funding. These children are the future of our country, yet they are treated like collateral damage by this Government.

Beveridge spoke of squalor. We have people across the country trapped in their own homes, which are covered in flammable cladding, a full five years on from the tragedy of Grenfell. This was a Queen's Speech where housing and planning policies were not even mentioned once. Social housing waiting lists are spiralling into the decades, yet we had merely rumours of a rehash of right to buy from a Prime Minister totally bereft of ideas and increasingly out of touch. We have properties riddled with damp and mould making people ill, here in the sixth richest economy in the world.



Beveridge spoke of idleness. This could have been a Queen's Speech where employment rights were boosted and the shocking practice of fire and rehire was finally brought to an end. Instead, the Government issue further flimsy guidelines that allow bosses to ride roughshod over the workers. More than 20 times we were promised an employment Bill, but this was yet another empty promise for the people of this country and another win for rogue employers. This was a Queen's Speech that will not help those in need as our country lurches from crisis to crisis. It was a Queen's Speech where this Government are increasingly out of touch with their own people, and I predict that it is one that will unravel before the year is out. I will be voting against the Queen's Speech for those reasons.

5.36 pm

**Christine Jardine** (Edinburgh West) (LD): It is both a privilege and a disappointment to speak in this debate on tackling the short and long-term cost of living increases, because we are tackling those issues as we are in a crisis on a scale that we have not seen in this country for decades. We are talking about inflation moving up into double figures towards the end of the year, interest rates going up, and a cost of living that takes us back to the 1970s and a difficult time for many of us and for our parents. So we are waiting for the Government to bring forward a paradigm-changing vision of what they are going to do about this crisis—a plan. Instead, all we got today was a lecture about how the Government understand the need for long-term growth and, even more pointlessly, a reminder of what the Labour Government may or may not have done 20 years ago. There was nothing about a plan for the people who are facing a crisis today. There was no empathy for those people and no understanding from the Chancellor of the difficulty they are facing.

There is nothing in the programme in the Queen's Speech for the families and pensioners in my constituency and across the country who are struggling with the immediate impact of the cost of living crisis—not in the future or the long term, but now, today. I am talking about the rise in their food bills, in the price of clothes for themselves and for their children, in the cost of their petrol to get to and from work or to get their children to school. The frightening prospect, because it is that for many of them, is of a winter coping with ever-higher energy prices. We have the Chancellor's promises about long-term growth, but unfortunately, we learned a long time ago that promises from this Government are not worth the air into which they are spoken. Pensioners do not have to be told that, because they were promised that the triple lock would continue and now they find that it has been abandoned for the moment, leaving them £500 a year worse off.

There have been too many broken promises, just as there have been too many missed opportunities to make a difference with insulation in our houses and just as there is too much dither and delay now on a windfall tax. The Chancellor has got himself into the situation where he says today that he is considering it. If he does not do it, why has he not done it? If he does now do it, why did he not do it sooner?

What about a cut on VAT to put money back into families' pockets? Cutting it from 20% to 17% would make a huge difference to families up and down

this country. Government Members will want to say, "It will cost how much?" Let me tell them that it will cost £19 billion. However, the Chancellor himself is in for a bit of a windfall, because the increase in prices means he will get £38 billion more than he expected from VAT. Money that families up and down the country who can ill afford it are spending today will go into the Exchequer, but rather than cut VAT and put that money back into the pockets of those families and of pensioners, what is the Chancellor going to do about it? That is what we want and need to know: what is the Chancellor going to do?

Time is running out for families up and down the country and it is running out for this Government. They need to listen to what people are saying. It was clear from the recent election results that people are not happy. They did not get the Government they thought they were getting. It is time that the Government listened, acted and recognised that the crisis is now, not somewhere down the line.

5.40 pm

**Ian Lavery** (Wansbeck) (Lab): The debate today has been really interesting. We have to realise that this is one of the richest countries on the planet and that we have got finances; it is about how we decide to distribute the wealth of this nation. If we cannot help the poorest and the people who are suffering greatly in this cost of living crisis, we are doing something sadly wrong.

As MPs, we are here to represent individuals in our constituencies. We should not need detailed reports, professors, experts or anyone else to tell us that poverty is rife in the communities and constituencies that we represent. As MPs, we should understand that—unless I am alone. I see it in my constituency. I see that people are malnourished. There are people, including kids, in this wonderful country of ours who are suffering from malnutrition. We have record levels of kids now with rickets. Howay—this is the UK, one of the richest countries on the planet. As has been said, we have people missing meals to feed their kids and 2.5 million people are now using food banks. For heaven's sake!

I will tell you what is new in my constituency, Madam Deputy Speaker: there has been a rise in crime and shoplifting. People who are desperate to keep their kids clean are stealing sanitary products and soap powder. It is an absolute outrage—and it is not good enough to say that the support is there, mind. It is not good enough for the Government to abdicate their responsibility, say, "We've done this and that", and talk about a £150 pay-as-you-go loan for electricity. They are abdicating their responsibility for the people who are most in need.

This fella Bernard Looney, the chief executive of one of the richest companies on the planet, has basically done everything but take barrowloads of money to the Treasury and tip it into the hall. He is saying he is happy to have a windfall tax. Can Members imagine what a difference that could make to the people we are talking about today?

By the way, it is no good telling me, "It's okay—you can make a meal for 30p so you should be all right." It is no good telling me that the way for people to get over the cost of living crisis is to find a new job somewhere, like the people who have been fired and rehired. It is no good telling me that people should be working two or three jobs so that things will be okay.

[*Ian Lavery*]

We have to start addressing the situation. The Tories—the Conservative Government—cannot continue to turn a blind eye. They cannot continue to walk by on the other side while people are suffering greatly. We need to level up and we need to be truthful. We need to level up with the truth and to be compassionate, honest and decent as politicians. We should be acting to support the millions out there who need absolutely every single ha’penny this Government can provide.

5.44 pm

**Kate Hollern** (Blackburn) (Lab): The Queen’s Speech contained 38 pieces of legislation, but nothing to address the biggest challenge facing families up and down the country: the cost of living crisis, which will only get worse in the months ahead. Members on both sides of the House have spoken of the need for a long-term strategy—of course that is needed—but that is of little comfort to the people who are suffering now. We need short-term support mechanisms to help families manage their budgets, many of whom are concerned about stretching their pay packets until the end of next week. Pensioners face the agonising choice of either heating their home or eating some food.

The cost of living crisis is here, it is now, it is today, and people cannot be left in the dire circumstances that they are in now. We need a windfall tax to reduce energy bills, and an increase in pensions and other benefits to keep up with inflation. This money will not sit in people’s banks; it will be spent in the local economy—in local shops and markets.

I wish to tell the stories of a few of my constituents to make sure that we all know exactly what we are talking about. The story about Violet, who is over 80, is important. She suffers from motor neurone disease. She does not cook and instead receives meals on wheels. She was astonished to find that her energy bill had gone up by £500. She is extremely worried and stressed about how she will manage.

Isobel, who suffered a stroke last week, tells me that she has turned off her heating. She says that she will manage but, again, is extremely worried. Emma, a single mum, is in work and not on benefits, but, after paying rent, gas, electric and water, she has none of her wages left for the bare essentials. Then there is the local firm that was brought to the brink of closure by rocketing energy costs. Why are the Government not ready to exhaust all options to support these people? Why have they not caught on to the urgency of the moment? Why are Government Ministers poking fun at the idea of an emergency Budget to support people?

The Queen’s Speech was a major opportunity to support those most affected by rising costs and the Government did not take it. They had the opportunity to change course but they refused to do so. I have serious concerns that Conservative Members have totally missed the point. They just do not know what it feels like to worry about whether to pay rent or to buy food for the children. That is clearly shown by the statements that have been made recently. I am pleased that everybody recognises just how ridiculous some of those statements were.

Residents of left-behind areas such as Blackburn will be hit the hardest by rising costs. Average earnings in Blackburn are £25,000, compared with the UK average of £38,000. We cannot let these financial burdens be borne by those who have already been hit the hardest. Today is the opportunity for this Government to do the right thing. They should show that they understand and, dare I say it, that they care about the millions of people in this country struggling through no fault of their own, by supporting a windfall tax to help ease the burden on families.

**Madam Deputy Speaker (Dame Eleanor Laing)**: We might manage to get everybody in, but I will have to reduce the time limit to three minutes after the next speaker.

5.48 pm

**Kenny MacAskill** (East Lothian) (Alba): All speeches, especially those outlining a programme for government, take place within a context and against a backdrop. I am talking about not just the rising cost of living, but the utter perversity of Scotland having a land that is energy rich while so many Scots are fuel-poor. Oil and gas, which in 2014 were said to be literally valueless and would soon be gone, are now worth a fortune and the UK sees them being exploited for decades to come. However, it extends beyond that, because we have renewables: we have not simply been blessed with hydro and with onshore wind, but we now have offshore wind coming—we are the Saudi Arabia of wind, with 25% of Europe’s resource being in Scotland.

Where are the benefits to our community? Where is our version of the oil fund that Norway has, which we can only look at and lament? Where is the benefit from offshore wind, when the jobs are going abroad and the revenue is going south? There is a perversity in my constituency: people can see the energy wealth, yet they are unable to heat their own homes.

This is not all the fault of Ukraine; of course it is a factor, but there are many more, including the profits being made. That is why I support a windfall tax, because there has certainly been a windfall for many of the corporate executives, while we suffer the absurdity and indignity of one third, and rising, of Scots now facing fuel poverty—it is more than half in the islands and in areas of deprivation.

Let us be clear that we are not talking about the invidious choice between heating and eating, or the appalling euphemism “self-disconnection”. It is not self-disconnection; it is disconnection forced by political decision making and political choice. Those people have no alternative. It is not an accident, but a political decision.

Let us also remember that it is not just a choice between heating and eating, because it goes beyond that. It is the person who wants to charge up and power their phone—we need a phone to live these days—because they want to be contactable for employment. It is the mother who wants to wash the clothes so her kids can go smart to school, even if the clothes had to be bought in a charity shop. It is the child who has been given an iPad because he comes from a deprived area and they want to try to level up, and his mum cannot put the power on. It is the person on dialysis who is sitting

having to keep themselves alive and making the choice, if they keep their power on, about what they will not spend upon instead.

That is the situation. Yes, there are things that have to be done that cost money, but there are other things that are remarkably cheap. What about unregulated fuel? We have seen the costs of electricity and gas rise, but what about liquefied petroleum gas, heating oil and biomass? Some 7% of Scots are on unregulated fuel. Why can that not be regulated and at least capped when a cap is imposed? Everybody knows the costs of heating oil have gone up far more than the costs of electricity and gas, and those people have been left behind.

What about prepay meters? We have the ignominy in our country that those who have the least pay the most. Those who are dependent upon prepay meters are not simply those who are there by choice; many of them have no alternative because their private landlord insists upon it. Yet they pay a higher tariff and higher standing charges, and there is no reason for that. That is not a technical decision forced by the complexity of metering. It comes about because the Government will not direct Ofgem to enforce a change. The companies could change it.

Equally, as my friend the hon. Member for Ceredigion (Ben Lake) said, it is time now for a social tariff and a disability tariff. Other countries do that—Belgium does it, and Portugal and Spain have actions so that those who have least are protected. That means that those who have more, such as myself and other Members here, might have to pay a slightly higher rate, but indeed that can be done, as well as having money coming in from a windfall tax. This is not a situation we find ourselves in by accident. It is a political decision and it has to change.

**Madam Deputy Speaker (Dame Eleanor Laing):** We now have a time limit of three minutes. I call Wendy Chamberlain.

5.52 pm

**Wendy Chamberlain** (North East Fife) (LD): Thank you, Madam Deputy Speaker. It is a pleasure to be back after Prorogation and the local elections, but less of a pleasure to be debating the Government's legislative agenda as laid out in the Queen's Speech.

The cost of living crisis is not just biting under this Government's leadership, but gnawing away to the bone. What my constituents need is an emergency Budget. Conservative Members were crowing earlier about the low unemployment rate, but they failed to mention that we now see economically inactive data of more than 21%. How do we expect to see productivity grow when one fifth of the country is not working?

The right hon. Member for East Ham (Stephen Timms) mentioned Lloyd George, and it would be remiss of me as a Liberal not to do the same. The right hon. Gentleman said that as a proportion of earnings, benefits are now lower than when Lloyd George introduced unemployment benefit in 1911. Based on my calculation of unemployment benefits of seven shillings a week and median earnings then of about 30 shillings, that makes it about 22.5% of earnings. Currently, universal credit is £334 per month for a single person over 25, and median earnings are £2,061 per month. That equates to 16%. The Government's choice not to uplift benefits in line with inflation has only exacerbated that divide.

Perhaps it is timely that the all-party parliamentary group on ending the need for food banks, which I co-chair, launched a new inquiry last week. We kicked off with a visit to a food bank in Hackney, and I can tell the Minister with certainty that telling families to take more shifts is not a viable or appropriate policy solution.

In my constituency, families are turning to charities such as Fife Gingerbread, which provides a tea-time club so that ovens and microwaves do not have to be put on, and help in the school holidays so that parents can work or just avoid extra energy costs. This year, a new fundraising campaign is helping to provide families with a day out over the summer holidays, because all children deserve to learn, to play and to laugh.

This goes from the very young right up to the elderly. Others have mentioned the WASPI women. Why are the Government still refusing to follow expert advice on the LEAP—legal entitlements and administrative practices—state pension exercise and continuing to exclude divorced women? Why do they think that the DWP made continued errors over several decades in relation to married and widowed women but do not think that it did so for divorced women? I urge the Government to look at that.

Increasingly, older people are being left to rely on the voluntary sector for support. Cosy Kingdom in North East Fife provides home assessments and advice on energy savings, a handyman service for those who would otherwise struggle with jobs such as installing draught protection, and help in dealing with benefits and debts—and, increasingly, with priority creditors such as energy providers. All these issues are exacerbated for people who live in rural constituencies such as mine. The Government are yet again falling far short on their commitments.

5.55 pm

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): Two million British people cannot afford to eat every day, over 7 million people are considered to be food insecure, and over 2.5 million children say that they cut down on the amount they eat or do not eat when they are feeling hungry. But this is not just about data or statistics; it is about real people. I will share just some of the messages I have received from constituents in Hull West and Hessle.

One person tells me that they are paying over £320 more on their standing charges before they even use energy. They are trying to budget but they cannot. They feel victimised for being a low energy user. Another tells me that they have worked out that they will have £100 a month left after the cost of everything goes up. They are a single person of over 24 on universal credit who has diabetes and other health conditions. Another lady, Lynda, who worked full-time until she was 74, and is now 77 and living on the state pension, says:

“Because I tried to be sensible and save some money I am penalised and only get Pensions Savings Credit not guaranteed pension credit.”

She is worried about the future. The cases go on and on.

We are facing the worst cost of living crisis in a generation, but we would not know it having listened to the Government's Queen's Speech. The shameful slurs on struggling families about their failure to budget or cook should be utterly disregarded and ignored, and show how out of touch the Government are.

[Emma Hardy]

What can we do about this? I thank all the charities, faith groups and businesspeople in Hull West and Hessle for the work they are doing. In particular, I want to mention a local businessman, Gerard Toplass, who has made an offer across all his businesses to increase take-home money for staff who earn less than £50,000 a year. He says:

“We believe this is both an acknowledgment that we understand the pressures people are under and a practical demonstration of how important we believe our people are.”

He is giving all his workers an extra £60 a month. That is an example that I hope other businesses across the country will look at following.

The Government could increase universal credit payments, cancel the national insurance increase, cut VAT on fuel and, of course, bring in a windfall tax. But there is one more thing that I hope they will jump at the chance to implement, because it is cost-free measure that I am going to give them as an option to take the way: addressing the poverty premium. As we have heard, this is about poorer people having to pay more for things like financial services, energy and insurance. Through their financial services and markets Bill, the Government could instruct the Financial Services and Markets Authority and give it a clear remit on financial inclusion by including an aspect called “must have regard”. That would be a cost-free way to make a difference to some of the families struggling the most. I hope the Government will take this opportunity. If they do, I can guarantee my support.

5.58 pm

**Ellie Reeves** (Lewisham West and Penge) (Lab): After 12 years of a Conservative Government, taxes are at their highest level in 70 years and we are seeing the biggest drop in living standards since the 1950s, with food prices increasing, heating bills going up, wages stagnating, and the Bank of England forecasting growth to go negative next year. The Conservatives claim to be the party of economic responsibility, but this is their record in government.

At my local food bank, Bromley Living Well, demand is soaring. In March last year it gave out food for just over 600 people; this March it gave out food for well over 1,000 people. One of those was a young single mother in work who had to visit the food bank because buying a school uniform for her son’s new school left her without any money for food. She was in tears because she never thought she would have to use a food bank, and only wanted to take the bare minimum. One of Living Well’s regular users has started requesting food that does not require cooking because they do not have the money for the fuel to cook food. While rising food and energy prices are hitting us, the Government have decided to hit working people with a tax rise. No other major economy is doing that in the middle of a cost of living crisis.

One of my constituents, a full-time carer for those with learning disabilities, wrote to me about their situation. Their rent, energy bills, council tax and travel come to £1,400 a month, and their take-home pay comes to £1,600, leaving £200 a month for food and clothes for their children—and that was before the national insurance increase. To get by, my constituent has to take 14-hour

shifts at the weekends and goes to bed hungry at night. She says that as things stand, she will be left either homeless or in huge debt. It is frankly shameful that the message to her from those on the Government Benches is: work more hours or get a better-paid job.

Those cases are not unique to my constituency. Across the country, millions of people are feeling the crunch from the cost of living crisis. That is why Labour is calling for an emergency Budget. We would use it to scrap the national insurance hike, and bring in a one-off windfall tax on oil and gas producers to cut household energy bills. How can it be right that while my constituents worry about turning the radiators on, the boss of BP has doubled his salary to £4.5 million a year?

The Queen’s Speech was an opportunity for the Government to show that they are in touch with reality and on the side of working families. It was an opportunity to show that they understand the challenges people are facing, but they failed. Tonight, those on the Conservative Benches have an opportunity to show that they understand the very real impact of the cost of living crisis by voting for Labour’s amendment calling for a windfall tax. For the sake of my constituents and theirs, I hope that they are finally listening and will do the right thing.

6.1 pm

**David Linden** (Glasgow East) (SNP): Most people watching this debate on TV tonight will be intrigued by the fact that we refer to the Gracious Speech. The overwhelming message from my constituency of Glasgow East is that this was an inadequate Queen’s Speech, because a number of things were missing from it that we would have liked to have seen, such as an employment Bill, as many other Members have said. The cat was rather let out of the bag by the hon. Member for North East Bedfordshire (Richard Fuller), who is no longer in his place. He spoke about the importance of deregulation; many of us have for some time had the concern that, for the Government, Brexit was about deregulation and attacking workers’ rights.

I accept that, ideologically, the Government and I are absolutely opposed on many issues, but I ask them to reflect on the fact that every year, 100,000 babies are born premature or sick. There is cross-party agreement in this House on neonatal leave and pay. The Government have committed to it, and this will be yet another year when that does not come into force. I understand that aspects of an employment Bill will be controversial, but I ask the Government to look favourably on the idea of bringing forward stand-alone legislation on issues on which we agree.

I want to talk about the comments, typical of the UK Government, from the hon. Member for Redditch (Rachel Maclean). I gave her advance notice of the fact that I planned to mention her. The irony of somebody on £106,000 a year telling clerical assistants in Easterhouse, refuse collectors in Carmyle and people who work in the retail sector in Shettleston that they have to work more, or get a better job! It shows how completely disconnected from reality this Government are.

I also praise the hon. Member for Lichfield (Michael Fabricant), who visited his local food bank. In the House of Commons this week, he has rightly said to the Government that they need to uprate benefits. That shows that when Members on the Government Benches

interact with their constituents and connect with reality, they see that far too often this Government fall far short of giving the support that is required.

I absolutely support a windfall tax on energy companies. I would like it to go further; it should apply to the Amazons of this world. We should be serious about understanding the changes to retail and how our high streets operate. The reality is that Amazon is the big beneficiary of that, so let us look at a windfall tax on it. There are other things we could do, such as reduce VAT on energy bills and reinstate the £20 to universal credit.

My local newspaper, the *Glasgow Times*, is running a campaign to “Beat the Squeeze”. That is entirely commendable—I commend the *Glasgow Times* to all hon. Members—but it should not fall to a local newspaper to tell people how to get through the cost of living crisis. We should look at taxing companies such as Shell, not hiking up national insurance for people from Shettleston.

6.4 pm

**Steven Bonnar** (Coatbridge, Chryston and Bellshill) (SNP): For months on end, we have listened to Conservative Members trot out excuse after excuse as to why the pandemic was solely to blame for the cost of living crisis that people are experiencing. These four nations are in complete freefall. People out there are living through the crisis in desperate situations, while the Government do nothing to mitigate it. This is no ordinary cost of living crisis; it is a Tory cost of living crisis.

Every country on the planet experienced the pandemic in some way, shape or form, but it is UK citizens who seem to be suffering most now. There are sky-high energy bills, but there is no action from the Government. Key workers such as nurses are reliant on food banks to feed their families, but there is no action from the Government. Some 2.5 million people are using food banks, but there is no action from the Government. There is a political food price crisis, but no action from the Government. A Tory Brexit is costing more than £400 million pounds every single week; it is driving the cost of living crisis.

What solutions have the Government brought forward? There are 38 new laws in the Queen’s Speech but zero solutions for right now, and zero relief for struggling families and individuals. There is no benefit uplift, no subsidised electricity or gas payments, and not even a food voucher for our most vulnerable citizens—nothing from a Prime Minister bereft of ideas and a largely AWOL Chancellor who hides behind IT issues.

Not a day goes by, however, without a pearl of wisdom from out-of-touch, morally-redundant Tory Back Benchers. They have suggested utterly contemptible methods of dealing with a crisis that has been inflicted by them, made worse by them, and reinforced by them daily in this place. The hon. Member for Ashfield (Lee Anderson) is not in his place, but I gave him notice that I would mention him. He talked about meals for 30p on condition of a cooking lesson. I suppose he will be back next week to tell us how people should cook them when they cannot afford to put a fiver on their electricity meter. It is reprehensible that people who earn the money that we MPs earn are lecturing desolate people on budgeting.

The reality is that workers’ rights have been decimated and zero-hours contracts are commonplace. Vacancies may well be at an all-time high, but fire and rehire has

not been banned. Companies can sack workers over Zoom and manhandle them off their sites, and the Government do nothing about it. Scotland does not accept that, but has to endure it. With every passing day that the UK Government fail to use their reserved powers to tackle the cost of living crisis, they demonstrate to us and the people of Scotland that independence is the only way for Scotland to boost our incomes and build the fair society that we all want.

6.8 pm

**Margaret Greenwood** (Wirral West) (Lab): This morning, it was reported that a poll carried out on behalf of the Royal College of Physicians found that more than half of people surveyed had seen their health deteriorate as a result of the cost of living crisis. The National Institute of Economic and Social Research has said that more than a quarter of a million households will slide into destitution next year, taking the total number in extreme poverty to around 1.2 million unless the Government act to help the poorest families.

The Government should never have cut universal credit by £20 a week and taken away support from the people who need it most. They could have used the Queen’s Speech to come forward with greater support for people facing rising bills—support funded by a windfall tax on oil and gas companies. Why did they not? They say that helping people into work is the best approach in the long term to managing the cost of living, but the long-promised employment Bill is nowhere to be seen, and there is no ban on fire and rehire, which leaves people vulnerable to poverty and exploitation through insecure work.

The Government say that they want to

“Spread opportunities and improve public services”,

but how can such a claim be taken seriously when they have inflicted devastating cuts on local authorities such as Wirral Council since 2010? People in Wirral West know exactly what Conservative Government policies lead to: the closure of vital services. The future of Woodchurch leisure centre and the libraries in Hoylake, Irby, Pensby and Woodchurch hang in the balance; they are dependent on local people taking over their running. If the Government were serious about levelling up, they would fund local councils properly.

If the Government are to spread opportunity, they must take action to address the crisis in adult literacy. The National Literacy Trust estimates that there are more than 7 million adults in England with very poor literacy skills. People who struggle to read and write can face great hardship in life. They can experience difficulty in securing housing, dealing with utility companies and managing financial affairs, and they can struggle to find secure, well-paid work. The Government cannot say they are levelling up the UK without addressing this crisis.

The Government had the opportunity in the Queen’s Speech to commit to banning conversion therapy, but they have fallen short by not providing for forthcoming legislation to apply to trans people. The British Medical Association has described conversion therapy as an

“unethical and damaging practice that preys on victims of homophobia, transphobia, discrimination, and bullying.”

It should be banned.

[Margaret Greenwood]

Finally, I turn to the environment and climate emergency. The Government should be taking decisive action against dirty fossil fuels, and it is extremely disappointing that they have not brought forward measures to ban fracking and underground coal gasification. These risky technologies are detrimental to our fight against climate change. They should be banned.

6.10 pm

**Alex Sobel** (Leeds North West) (Lab/Co-op): In this Queen's Speech, the Government are faced with the twin challenges of the cost of living crisis and a climate crisis, in a period when we are emerging from the greatest pandemic in 100 years. The times call for a big, brave response—a game-changing policy that makes energy secure, ensures rapid decarbonisation and weans us off gas. At the same time, with rising prices and stagnant wages, people need relief, especially on the most essential bills, including energy, water, housing and transport.

Given the measures brought forward over the last few months and in this Queen's Speech, it feels as though the Government abandoned COP26 as soon as the doors of the Scottish Event Campus were closed. It is not just individuals and families who face this crisis, but businesses, which have the highest cost pressures and the highest tax burden in 50 years. The Conservative party thinks it is the party of business, but the pandemic taught us that that is only the case if your chums own the business. The millions working in small and medium-sized enterprises who were not fortunate enough to go to school with a Cabinet Minister, or to run a Cabinet Minister's local pub, get no help at all. It is the chumocracy response to a crisis.

This Queen's Speech provides not an ounce of relief for those struggling with costs and in dire need of a pay rise. To meet the challenge, we need an energy security Bill that takes a quantum leap in ambition, compared with what the Government have provided so far. I would expect, as a minimum, to see in the Bill a retrofit revolution, not a repeat of failed previous schemes such as the green homes grant. We need a serious delivery body to deliver adequate insulation for every building in Britain; serious funding for the sector; a mass apprenticeship programme; a stellar leap in decarbonisation, involving district heat and power, heat pumps and hydrogen; and an annual target for a reduction in household energy bills and real-terms carbon emission reductions. The future system operator needs to have real teeth to be able create a two-way smart grid that takes advantage of battery storage and home electricity generation.

We must deliver the much-needed windfall tax on energy that nearly everybody, particularly Opposition Members, have called for, but we should go further. We need real measures on the energy price cap that offer real protection. The current cap does not balance excessive energy producer profits against costs. Why is there not a mechanism in the Bill to smooth profits against the costs to consumers in the long term? Why are the Government not lifting their ban on onshore wind? Polling shows that it is popular if community-owned, and it is one of the cheapest renewable technologies. If we doubled capacity, we could power 10 million homes, weaning them off gas. Why did the Government cut the

solar feed-in tariff? That has decimated the domestic solar market, and stopped people, particularly those in social housing, getting solar. As a minimum, the Government should introduce a social feed-in tariff.

Finally, we have heard a lot about food banks during debate on this Queen's Speech. Food banks are a stain on our society, as they expose the poverty the Government have allowed people to fall into. No one looks forward to using a food bank, and no one is proud of using a food bank. Let us see the £20 of universal credit returned to people. This Government are not just lacking in ambition; they are failing big time.

6.14 pm

**Kim Johnson** (Liverpool, Riverside) (Lab): Chronic Tory under-investment in our public services and our communities means that we have barely begun to recover from the last recession, and we are standing on the brink of another. With inflation now predicted to exceed 10%, the combination of soaring food and fuel prices, inflation and low pay is driving millions into poverty, hardship and hunger. For my constituents in Liverpool, Riverside and across the country, the Queen's Speech provides little hope or comfort, especially for those experiencing extreme poverty: pensioners forced to spend the day on buses just to keep warm; children going to school hungry; and private renters terrified they are not going to be able to keep a roof over their heads. Household finances are at breaking point, with bad bosses driving down wages and working conditions, driving in-work poverty through the roof.

Meanwhile the richest 1%, the wealthy individuals, corporations and the energy giants are reporting eye-watering record profits. The boss of Shell received a £1.1 million pay rise, while the Governor of the Bank of England is telling workers not to ask their employers for a pay rise; this is the height of hypocrisy. No matter what pathetic and insulting excuses this Government give for the last 12 years of failures to support struggling families—telling poor people to take cooking lessons, get a better-paid job, or shop for bargain brands—this poverty is a political choice. This Government have chosen not to support those most in need, forcing working people into food banks and into an impossible choice between heating and eating, while the profits of the wealthiest go through the roof.

The stark reality is that this is a class war. Nowhere is that more devastating than in the soaring rates of child poverty. In Liverpool, Riverside, the equivalent of 10 children in a class of 30 are already living in poverty, and a record-breaking two thirds of them are living in working families. That is why I have tabled an amendment to the Queen's Speech that includes measures to address sky-rocketing levels of child poverty. These are clear, simple actions that prove the cost of living crisis is not inevitable; it is a political choice. We need action, and we need it now, with the introduction of a windfall tax, the minimum wage being set at £15 an hour, and by reinstating and extending the £20 uplift to universal credit and all benefits.

Instead of levelling up, the Tories are doing what they do best: levelling down. The worst of the cost of living crisis is yet to come, which is why I urge all across the House to support the amendment.

6.16 pm

**Ruth Jones** (Newport West) (Lab): I take part in this important debate on behalf of the many families in Newport West who have written to me, called me and messaged me with their stories, their experiences and their fears for the months and years ahead.

One resident in Newport West wrote to me recently:

“We are in a position right now where we’re not coping. Our energy bills have risen 54% and I am afraid that myself and many others will not be able to provide for our families.

My husband’s parents are on a state pension of £82.45 a week, we are concerned for their welfare as they cannot afford to heat their home nor pay for food if these energy prices continue.”

She goes on:

“Many of my friends are concerned for their own families too, we are all struggling, and instead of living, we’re surviving day to day.”

Another woman from Newport West wrote to me to say:

“I have one daughter, 12 years old. I am in full time employment and on benefits. I have cancer. Even before the surge in energy prices many people like me have been struggling to afford the essentials. The cost of weekly food shopping has risen, so has the cost of energy. My rent also increased recently. I have had to make cutbacks on most things.”

The people of Newport West are, as I have said before, looking for help, but there was nothing in the Queen’s Speech to help people with heating their homes, filling their cars with fuel or feeding their families. That is why Labour wants to introduce a one-off windfall tax on oil and gas producer profits, so that we can bring down bills, and bring them down now. I hope Conservative Members will finally join the British people in calling for this windfall tax, or properly explain why they continue to oppose measures that would ease the cost of living crisis and make peoples’ lives better.

Last year, I spoke in this House about the many thousands of people in Newport West whose universal credit had been cut. Since then I have seen the devastating impact that that decision had on families in Newport West and across Wales, and we will not let Tory Ministers forget it.

It is not just those on universal credit who are affected: older people and pensioners are at the sharp end of the Tory cost of living crisis, and they urgently need the Government to act now. Pensioners spend twice as much on their energy bills as those under 30 and face spiralling inflation, with the price of petrol, food and energy all soaring. And we must not forget that almost one in five pensioners now lives in poverty. Our young people are facing the fierce winds of this crisis, too: low wages, rising rents, and their cost of living going through the roof.

I will continue to call this Government out and to stand up for the people of Newport West, who need change and need it now.

6.19 pm

**Beth Winter** (Cynon Valley) (Lab): Living standards in the UK are plummeting under the Conservative Government. Working-class people are suffering. My constituents in the Cynon Valley are suffering, and I want the Government to know what they think. I recently completed a cost of living survey in my constituency. Within a couple of days, we had in excess of 650 responses. The survey’s preliminary findings are shocking and harrowing, to put it mildly. Ninety per cent of respondents

said that they felt worse than they did this time last year and 80% reported that financial difficulties were affecting their mental health.

I want to give hon. Members a flavour of what people are enduring. Gwenno, a single parent who is self-employed, says:

“These price increases are making me feel ill and depressed and are giving me sleepless nights due to worrying. I feel like a failure for having to ask my children to limit the heating, eating less, not eating things they enjoy and not having days out or treats.”

Another constituent, Harri, is retired. He commented:

“I am desperately worried about paying my increased utility bills. I am retired on a fixed income. I will have to stop using the central heating, and I can’t think what else to do.”

I will publish the report in the next couple of weeks and will ensure that the Government get a copy.

I am incensed that the Queen’s Speech has ignored the action needed to help people with the cost of living crisis. Instead, it proposes a series of Bills that will fail to level up communities or incomes and fail to deal with regional and national inequality. The Levelling-up and Regeneration Bill should deal with inequality, but it will not. The Procurement Bill should deal with outsourcing waste, but it will not. The Government are pursuing draconian attacks on civil liberties through the Public Order Bill, the Bill of Rights, the boycotts Bill and the Higher Education (Freedom of Speech) Bill that allow them to deal with dissent. They have left out the promised employment Bill, and they continue to treat the sackings at P&O as a joke through their inadequate harbours Bill.

What we need, as has been said, is an emergency Budget to announce measures to deal with the cost of living crisis, a windfall tax on gas and oil giants and a wealth tax. We should also boost incomes, increase social security in line with inflation and ensure that the Government respect the devolution agreement. It is clear to me that the Government’s inaction is uncaring and leading to misery for millions of people. The empty Government Benches say all that we need to know about how much they care about people—

**Madam Deputy Speaker (Dame Eleanor Laing):** Order.

6.22 pm

**John Mc Nally** (Falkirk) (SNP): The Queen’s Speech totally missed the cost of living crisis facing my constituents in Falkirk. As our communities emerge from two years dominated by the pandemic and all the personal loss, pain and anxiety that came with it, they now face a brutal financial crisis. Price rises are hitting families from every side. Energy bills are soaring, the price of basic foodstuffs is up, fuel is more expensive and inflation has reached a 30-year high and is going north.

Millions of people who have already cut back are having to choose between heating their homes and feeding their children. They cannot cut back any more. The WASPI women, pensioners and many personal friends who I grew up with are living in fear of opening their bills and putting fuel in their cars. They have had to stop giving to local charities. What a state of affairs to be going through at their age.

Age Scotland states that the 3.1% rise in the state pension falls far short of what is needed by our pensioners. As the OECD highlighted, the UK has one of the lowest public pensions in the developed world. The UK also has the highest percentage among neighbouring

[John Mc Nally]

countries of retirees over 65 at risk of poverty, which is pitiful. To add insult to injury, the UK state pension provides retirees with an income of about 20% of the average national wage, compared with almost 40% across the OECD. That is a disgrace and an insult, treating people and pensioners with disdain.

An independent Scotland will have full powers to protect and improve both state and occupational pensions. I believe the cost of living crisis has been created by the Conservatives and Brexit has only made matters worse. The SNP repeatedly warned that Brexit would be damaging to business and trade, and that it would put food prices up, yet the Tory Government remain dangerously out of touch. They could have reversed their cuts to universal credit, but they did not. They could cut VAT on fuel bills. They could reduce VAT on the high street. They could tax companies—not only energy companies—on excess profits. They could increase benefits, but they have not.

As for the Tory MPs who demonstrated an utter lack of humanity with their recent views that struggling families should buy cheaper food and manage money better, and that people who use food banks cannot cook properly, let me tell them this: there are Tory Members here and in the Lords who can hardly peel a potato and have never brought a dinner plate to their table never mind make a meal, such is their sense of entitlement. The message from the Tory Government is very clear: “You live in your world and I’ll live comfortably in mine.” It is poverty versus privilege.

6.25 pm

**Alex Davies-Jones** (Pontypridd) (Lab): The cost of living crisis is impacting people across Pontypridd and Taff Ely, but it does not have to be this way. As my right hon. Friend the Member for Doncaster North (Edward Miliband) rightly and powerfully set out, there are many urgent short-term measures to help families through the cost of living crisis that the Government have simply neglected to implement.

What people across the country need are long-term solutions. That is why I am both furious and frustrated that the Government have backtracked once again on their promises to bring forward an employment Bill. Central to tackling the cost of living crisis is ensuring that workers across the board are fairly protected. An issue particularly personal for me is that we were told that the Bill would finally—finally—introduce proper neonatal leave and pay for new parents. The Minister stood at the Dispatch Box only a few months ago and told the House that the Government “remain very... committed” to introducing neonatal leave and pay via the employment Bill. However, because of the Government’s decision to abandon the Bill, thousands of new parents will have no choice but to continue to balance precarious work and family commitments. Proper neonatal leave and pay could have brought so much desperately needed relief to new families as they struggle through the cost of living crisis. They were struggling even before the cost of living crisis took hold, which is why it is even more insulting that they have been abandoned yet again by this Tory Government. In fact, the TUC has tallied it up: Ministers promised an employment Bill on nearly 20 occasions. Now that the promise has been abandoned, is it any wonder that public trust in this Government is so low?

Unsurprisingly, neonatal pay is not the only crushing disappointment of this half-hearted Gracious Speech. My constituents in Pontypridd and Taff Ely desperately needed it to engage with the cost of living crisis genuinely. We need bold proposals via an emergency Budget. We need a new windfall tax on North sea oil and gas companies. We need an urgent nationwide insulation programme to prevent energy loss and reduce families’ energy bills. What did we get instead? We got a Bill promising to further crack down on the fundamental right to protest, a vague levelling-up Bill promising to let residents decide street names, and a Bill promising to flog Channel 4 to the highest bidder.

This Government have run out of road. When Ministers try to defend their Government, all they do is insult the British public further. We have food poverty, fuel poverty and now hygiene poverty. The fact that they even exist in modern Britain should shame every single Member—there is a lack of Conservative Members on the Government Benches at the moment. It is a devastating economic truth that households having less to spend means sectors such as entertainment and hospitality losing out. Our economy shrinks and we are all poorer for it.

Madam Deputy Speaker, I could go on and on and on, but as you see I am angry and my constituents are angry. I will continue to do everything I can to get the people of Rhondda Cynon Taff the help they need, but this Queen’s Speech is an insult to the thousands of households in Wales and across the UK who need real immediate solutions to help with the cost of living crisis. I urge the Government to act and to act now.

6.28 pm

**Ian Byrne** (Liverpool, West Derby) (Lab): Last week should have been an extremely sobering moment in this House. The Food Foundation figures widely quoted in this Chamber should chill the souls of every Member who serves here, with millions going hungry in our communities. A few days before the Queen’s Speech was delivered, I spoke to a disabled constituent who explained to me how the cost of living and the huge increase in energy bills had left him choosing between heating his home or powering his electric wheelchair. The fifth richest country in the world! There was nothing in the Queen’s Speech to make sure he does not have to face that unjust situation a day longer.

Instead of sober reflection on how we fix the crisis, we had grotesque suggestions from those on the Tory Benches on cookery classes—maybe an hour with Mary Berry would fix the problem of millions of going hungry. We had the Government suggesting that it is the fault of the person in poverty and that they just need to pack in their zero-hour minimum wage contract job and maybe become the CEO of Apple. We need to hear less condescending rhetoric that lays the blame on people facing hardship and poverty from commentators and politicians who have got about as much experience of poverty as I have of attending the annual reunion of the Bullingdon club.

Let us be clear that the blame for this crisis lies with this failing Government, who could make the political decisions that are needed if they wanted to. The Government could decide to put a right to food into legislation. They could ban fire and rehire, ban zero-hours contracts and raise the level of universal credit, legacy benefits and the minimum wage. They could



protect pensioners and deliver justice for the 9,000 women in Liverpool, West Derby who have been impacted by the change to the women's state pension age.

Hunger is a political choice. Fuel poverty is a political choice. Those choices are currently being made by this Government. This is an emergency—life and death for many—that demands serious solutions, not tinkering with a system that is utterly broken for millions. That is why we need to legislate for the right to food. We need enforceable food rights so that the Government of the day are accountable for making sure that nobody goes hungry. They must be prevented from making decisions that lead to people being unable to afford to put a meal on the table or to put the heating on.

That is why I have tabled an amendment to the Queen's Speech to enshrine a right to food in UK law. I thank every Member from right across the House who has supported it, and I urge all others to do so.

6.31 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): I probably should not be that surprised that the Queen's Speech does nothing to tackle the Tories' cost of living crisis, because they have done virtually nothing over recent years on the underlying causes. Many of my constituents fall into the groups that are hardest hit—the poorest, the elderly and those in remote parts of the country. They are being hammered by soaring inflation, fuel prices and energy prices, yet the Government have continually dragged their feet over the energy crisis. They have had to be forced to debate fuel poverty and energy price caps, but sadly without any effective outcomes.

The publication of the energy strategy and the announcement of the energy Bill offer nothing either to help with the cost of living crisis or to improve energy efficiency, which would permanently help to reduce people's bills. The rise in energy prices impacts hardest on the poorest families in our society. The poorest single adult households are now spending 54% of income, after housing costs, on energy. That is simply not sustainable.

The Queen's Speech is yet another example of missed opportunities. It fails to fix known problems with universal credit, such as the five-week wait, the benefit cap and the two-child limit, pushing more families further into hardship. It does nothing about the appalling state of pensions in the UK. We have the worst pensions in Europe; they are equivalent to 20% of average earnings, compared with the OECD average of 40%. That is utterly appalling, and many of our pensioners now face the stark choice between heating and eating. The abandonment of the triple lock on pensions takes hundreds of pounds out of their pockets at the very time when energy bills are soaring through the roof and they face serious issues over food security and prices.

We should not forget either that, even before the current turbocharging of this crisis, malnutrition in the UK has tripled—I state that again: it has tripled—since the Tories came to power in 2010. One in 20 people in the UK are affected by malnutrition and this Government's inaction will only make that situation worse.

This week, Andrew Bailey, the Governor of the Bank of England, said:

“It is a very, very difficult place for us to be. To forecast 10% inflation and then say... ‘There's not a lot we can do about 80% of it’”.

I will tell the House what I would do about it: we need an emergency Budget; we need to slash VAT on fuel prices; and we need to impose a windfall tax on the companies that have benefited both through the pandemic and in the current crisis. I say to my constituents in Scotland: if you want joined-up policy making from Government and to tackle these issues, you need to get independence, because we will not get the action here.

**Madam Deputy Speaker (Dame Eleanor Laing):** And the prize for patience and perseverance goes to Zarah Sultana.

6.34 pm

**Zarah Sultana** (Coventry South) (Lab): Thank you, Madam Deputy Speaker.

The annual profits of oil giant Shell were £12 billion. BP's profits were £9.5 billion. The company's boss said that his pay had more than doubled to just under £5 million, and then the company complained that it is “getting more cash than we know what to do with”.

In the next year, the combined profits of those two companies are expected to double to £40 billion.

It is not just oil giants; bankers' bonuses are booming, too. They are higher than at any time since the 2008 financial crisis. Posh bars in the City say that they have had a run on their most expensive champagne. While the vast majority are struggling like never before, the wealthy few are raking it in. The Institute for Fiscal Studies says that the booming incomes of the top 1% are driving rising inequality. It is a crisis for the majority, but a bonanza for the few.

This is not inevitable. This crisis was made in Downing Street. It is the result of political choices made by this Tory Government. Last year, they let Shell pay zero tax on North sea oil and gas production, with the Treasury actually paying Shell £92 million. Earlier this year, the Tories voted to give bankers a tax cut worth £1 billion a year, and just a week later they voted to slash social security payments in real terms and to cut pensions by about 4%, once inflation is factored in. A couple of months earlier, they implemented the biggest overnight cut in the history of the welfare state, scrapping the £20 a week universal credit uplift, and then they let energy bills soar by a whopping 54%. Their choices are why my constituents and millions of people across the country are struggling while the super-rich line their pockets.

We could choose to do things differently, and that is what amendment (f), tabled in my name, would do. It would use a windfall tax on oil giants to slash energy bills and bring energy companies into public ownership. It would give millions of workers a real pay rise, making the minimum wage a genuine living wage, and implement a real-terms public sector pay rise. It would rebuild the social security safety net, with a real-terms increase in social security and pensions, including restoring the £20 a week universal credit uplift. It would pay for that by raising taxes on the richest, not on ordinary workers, including an end to the tax-dodging loopholes that Conservative Members are so fond of, including the non-dom status. Instead of the political choice to squeeze the livelihoods of working people, we could squeeze the profits of the rich. That is what my amendment would do, and I urge Members to back it.

6.36 pm

**Jonathan Ashworth** (Leicester South) (Lab/Co-op): This is a debate about the 250,000 households that the National Institute of Economic and Social Research predicts will be forced into destitution next year. This is a debate about the 1.3 million people, including 500,000 children, who will be pushed into absolute poverty. This is a debate about the 2 million—and rising—pensioners in poverty. This is a debate about the 2 million adults who did not eat for a whole day last year. This is a debate about our constituents who are working all hours God sends and still need to queue at food banks to feed their families.

In his speech earlier, the Chancellor—I do not know where he is, by the way—boasted of an employment miracle, but is it not the truth, as the Office for National Statistics has shown today, that pay is being outpaced by inflation, with real wages falling by 1.2%? That is the largest monthly fall in real regular wages in a decade, yet at the same time, pay-as-you-earn data shows that the wages of the very top earners are increasing rapidly. Labour market inequalities are widening, and workers deserve a fair pay rise.

If we drill down into the employment figures, we see that it is also the truth—and this has come up today—that they are lower than they were pre-pandemic. Indeed, 1.5 million have left the labour market, including more and more over-50s who are drawing down their defined-contribution pensions. The sickness levels of those out of work are at their highest level for 20 years—*[Interruption.]* Ah, here he is—come on in, Chancellor! Instead of providing help, the Gracious Speech had no employment Bill—it was ditched—while Jobcentre Plus and Department for Work and Pensions offices will be closed and staff laid off, and job scheme funding is being cut or underspent. This is a Government failing on employment.

Our constituents face a cost of living crisis, but instead of action we had a complacent speech from the Chancellor, who said that he may act on a windfall tax “soon”—but people need action today. Does he really think that the parents who are making choices between feeding meters and feeding their children, the families who are cutting off their meters and the people who are scared of the final demand from their energy companies can say to those energy companies, “Don’t worry, we’ll pay you soon”? Of course not—the *mañana* Chancellor needs to act today to help people.

A theme across the House not just today but throughout the week has been the failure of the Chancellor and the Government to help people with the cost of living crisis. I cannot mention all of the many speeches we have heard today, so I will mention only a few. The hon. Members for Dudley South (Mike Wood), for Newton Abbot (Anne Marie Morris) and for Sevenoaks (Laura Trott) made sympathetic noises towards a windfall tax. In fact, they were so sympathetic, I thought they had got hold of the parliamentary Labour party’s briefing pack for the debate.

**Mike Wood:** Will the right hon. Member give way?

**Jonathan Ashworth:** We are pushed for time, so I beg the hon. Gentleman’s pardon—but he can have a word with me when he is voting with us in the Lobby later.

Look at the realities facing our constituents: the cost of pasta is up 10%; milk, cheese and eggs, up 8.6%; butter, up 9.6%; cooking oils and fats, up 18%. And the message from Ministers? “Just purchase supermarket own brand.” “Buy value beans”—the new three-word slogan from the Tory party.

Another quotation of which the Chancellor may be aware is from Milton Friedman; I know the Chancellor is a big fan. Milton Friedman said:

“Inflation is taxation without legislation”.

But the Chancellor has legislated. Instead of helping people on universal credit, he legislated to cut universal credit in real terms—a loss of around £500. Instead of helping pensioners with the triple lock, the Government legislated to impose the biggest real-terms cut to the pension for 50 years, meaning a cut of more than £420 for the typical retiree.

The Secretary of State for Work and Pensions is about to embark on a programme of cutting the incomes of some of the most vulnerable people on legacy benefits as they migrate to universal credit. But it does not have to be like this, because—as the Chairs of the Treasury Committee and the Work and Pensions Committee, many charities and the Institute for Fiscal Studies have said—one could bring forward a proportion of the benefit increase pencilled in for 2023 today. Indeed, the Chief Secretary to the Treasury said a few weeks ago at the Dispatch Box that the 2023 increase in benefits and the pension will take account of inflation. The Government are promising to increase benefits and the pension in line with inflation in 2023, but in the meantime are sending the very poorest on a rollercoaster. Some 500,000 children will be pushed into absolute poverty.

To be fair to the Chancellor, he said, “We looked at this, but the IT system said no”. As many Members have said, it is a shame that his computer didn’t say no when he was cutting universal credit by £20. But I have been given a briefing note by Oracle, which I understand provides the IT systems for the Department for Work and Pensions, entitled: “How DWP transformed the backbone of the UK benefits system”. The note says that the changes that made to the computer system

“has built automation into...management—this allows DWP to make changes every week, rather than having to plan six months in advance”.

Mr Mark Bell, who is the deputy director at the Department for Work and Pensions, said:

“This has been widely recognised as one of the best technical achievements delivered by DWP Digital for many years...It also enabled us to make further digital enhancements to benefit millions of UK citizens.”

Technical lead Mr Nick Cutting says that this has brought “flexibility” and that it led to the Department being able to do things it

“never could have done, or that would have taken significant time at a significant cost”

if it was still running on legacy infrastructure. You see, Madam Deputy Speaker, the truth is that it is not the mainframe that is preventing the Government from acting; it is their frame of mind.

**The Secretary of State for Work and Pensions (Dr Thérèse Coffey):** I appreciate that the right hon. Gentleman used to be a political adviser to the previous Government, but they did not have universal credit. What he is

describing is universal credit, a system that the Labour party has consistently opposed. That is why we are able to make the changes; it is true and accurate, as he has just read out to the House, that it is the legacy systems that are the problem. That is why we cannot simply change the rates of all benefits as he wants us to do. The point is that we cannot do that, and he has read out the reasons to the House.

**Jonathan Ashworth:** The right hon. Lady has just confirmed that she is refusing to increase universal credit, with the consequence that 500,000 extra children will be pushed into poverty—[*Interruption.*] I am not misleading the House. I remember meeting her for negotiations over the pandemic legislation. We met in the offices of the Secretary of State for Health and Social Care. We said that we needed more support on universal credit and we came to an arrangement. She also gave a lump sum to those on working tax credit, which is a legacy payment. So if there is a will, the Government can do it, but the truth is that they do not want to do it.

The reality is that if the Government wanted to lift children out of poverty, they could do it. If they wanted to lift pensioners out of poverty, they could do it. If they wanted to prevent 250,000 families from being pushed into destitution, they could do that too. The fact that they will vote against the amendment in the Lobby tonight tells us everything we need to know about this Tory party. For them, rising child poverty is a price well worth paying.

6.46 pm

**The Secretary of State for Work and Pensions (Dr Thérèse Coffey):** It is an honour to conclude this debate on the Gracious Speech. Understandably, a lot of people have contributed today. I want to take this opportunity to join right hon. and hon. Members in paying tribute to Her Majesty in her platinum jubilee year. This is a Queen's Speech that will deliver for the British people: safer streets, stronger schools, a secure supply of energy, speedier access to social security for those people near the end of their lives, streamlined financial services unlocking investment, stripping out unwanted EU regulation, and legislation to help level up across the United Kingdom. All these measures will help to grow the economy, which will help to address the cost of living challenge that families are facing.

We should remember that this is a global challenge. Countries around the world are having to deal with inflation, and the covid aftershocks are still ripping through the world's supply chains. On top of that, Putin's brutal invasion of Ukraine has exacerbated spiking energy prices. On this side of the House, we are the champions of freedom and democracy around the world and it is right that we do all we can to end Putin's onslaught, but sanctions are not cost-free for us here at home. They come on top of the impact from covid. These are global inflationary forces, and it would be wrong to pretend that we can protect everyone from their impact.

Thanks to our strong recovery from the pandemic and having got the big calls right over the last two years—such as our plan for jobs—we have helped families across the country. We can see that in the labour market statistics published today. Our unemployment rate today

is below the low level we saw before the pandemic. Not only that, it is the lowest since 1974. The number of people on payrolls is at a record high, and over half a million more people are now benefiting from a regular pay packet than in February 2020.

I am also delighted to say that we have met our 2017 commitment to get 1 million more disabled people into employment in 10 years. In fact, we announced today that we have hit 1.3 million more people. That is good news for people with disabilities and it is good news for the economy too. The level of youth unemployment is now at a record low. This means greater security, more financial resilience and better prospects for people.

**David Linden:** The Secretary of State talks about employment, but when I go to my local food banks, one of the things that people tell me on a regular basis is that the number of people using the food banks as a result of in-work poverty is up. What does her local food bank tell her?

**Dr Coffey:** The hon. Gentleman is right to say that food banks are present and providing support in many communities, especially where people are trying to work out the best way to spend their resources. He mentions in-work poverty, and it is why we have a plan for in-work progression, why we have been investing in skills, why we are investing in our jobcentres and why, through the plan for jobs, we are doing more to help people not only to get back into work but to get on in work too. That is what we are doing.

On top of the activity we have been undertaking, there are things we can do and are doing to cushion families from the worst effects of inflation and to ease the squeeze on household budgets. As my right hon. Friend the Chancellor set out, £22 billion has already been committed to support the hardest hit this year. The £150 of support for households in bands A to D is landing in people's bank accounts, with a further £144 million discretionary fund available to councils. From October, the £200 reduction in energy bills will help families spread this year's increased costs over the next few years.

We initiated the household support fund, through which we invested £500 million across the UK to help with the cost of household essentials. We have repeated that, so it is £1 billion over a year. For the second phase of the grant we have put a particular focus on people on fixed incomes, which is why a third is ringfenced for pensioners. That is on top of existing targeted support such as the warm home discount, cold weather payments and winter fuel payments. We are stepping in at this challenging time, and we are ready to do more to help.

We are discussing an Opposition amendment, and I make it clear that we will reject all Opposition amendments to the Queen's Speech as a matter of precedent. The Queen's Speech sets out the Government's legislative programme for the year, and it is for my right hon. Friend the Chancellor to introduce fiscal measures, and he will make all future decisions on tax in the usual way. I reiterate that he told the House today that no option is off the table.

We know that the best way to raise living standards over the long term is to grow the economy, to invest in skills and to get people moving into and progressing in decent jobs. The latest statistics cut through the Opposition's

[Dr Coffey]

charge that poverty has increased since the Conservatives came into power. There are 1.2 million fewer people, including 200,000 fewer children and half a million fewer working-age adults, in absolute poverty, before housing costs, than in 2010. In March we published statistics that, for the first time, combine absolute low income and material deprivation among working-age people. Those statistics show a fall of three percentage points, from 3.1 million when we came into power to 2.2 million in 2019-20.

**Alan Brown:** Will the Secretary of State remind the House of how much money the Treasury puts towards the warm home discount?

**Dr Coffey:** The hon. Gentleman is trying to be clever, as he knows the answer is that it is a redistribution within the energy policy. [Interruption.] Would he rather not have it? Would he rather be with his fellow SNP people who voted against any rise in benefits at all? That is what several of his colleagues did. They did not vote for a lift in benefits.

After a decade of rising employment, we are building on our track record. We are ensuring that people have stronger incentives to work and can keep more of what they earn. Some 1.7 million working people on universal credit are, on average, £1,000 a year better off following our cut to the taper rate. Last month's 6.6% rise in the national living wage has provided the lowest paid with an increase of £1,000 a year in their income, and in July the increase in the national insurance threshold will benefit 30 million working people, with a typical employee saving over £330 a year.

**Stephen Timms:** The Secretary of State mentioned today's labour market statistics. Will she confirm that they show there are now half a million fewer people in employment than before the pandemic?

**Dr Coffey:** In my discussions with the chief statistician, he has said that more people are on the payroll than ever before. That is good news. I am conscious that there are people who are economically inactive, and the Government will set out how to challenge that. As the right hon. Gentleman knows, my main priority is those people to whom we pay benefits to look for work and making sure they get into work, but of course we will be extending our activity to try to get people back into the marketplace who have dropped out since the covid pandemic.

As I pointed out, 30 million working people will benefit from the rise in the national insurance threshold in July. With a record number of vacancies in the economy, we want more people to have the benefits that work brings. That is why we are focused on getting more people into and progressing in jobs, where they can boost their pay, prospects and prosperity. Building on our plan for jobs, our Way to Work scheme is getting people into jobs even more quickly, with the aim of getting half a million claimants into work by June. We can see a kind of magic in our jobcentres, as people really want to break free from that unemployment poverty trap. By the end of April we were more than halfway to our goal, and we know there is more to do.

But our Way to Work scheme is helping people move into any job now, to get a better job tomorrow and to build a longer-term career. To help people lift off at work when they land a job, we are rolling out extra support for claimants to build the skills they need to progress in work.

All of this is underpinned by our programme to deliver on what Parliament voted for in 2012: to replace all the legacy benefits with universal credit, because people will always be better off working than not working, unless they cannot work. That is the magic of UC, unlike the cliff edges of tax credits, which stop people progressing the amount of time and skills they get in work. So we are getting on with it, having resumed the process to complete the move to UC by 2024. Given that we estimate that two thirds of people on tax credits would receive a higher entitlement on UC, this will be important in helping to increase incomes.

All of this stands in contrast to what is put forward by those on the Opposition Benches. I believe the Leader of the Opposition would scrap UC—it was certainly in his pledges when seeking to be elected as Leader of the Opposition. They would undo a decade a progress, leave people further from the labour market and penalise the taxpayer by failing to realise the benefits of a modern system.

My right hon. Friend the Prime Minister summed up our focus in his speech last Tuesday at the start of our debates on the Gracious Speech: “Jobs, jobs, jobs!”. We are talking about high-skill and high-wage jobs. These are clearly challenging times, but we will continue to provide the leadership needed to rise to those times, continuing to drive up the skills our economy needs and employment prospects across the country, and putting more pounds in people's pockets. This Queen's Speech will grow the economy, level up our country, spread opportunity, and strengthen security and prosperity for all the British people, through the covid aftershocks and for decades to come. We therefore continue to commend the Loyal Address, unamended, to the House.

*Question put, That the amendment be made.*

*The House divided: Ayes 248, Noes 310.*

**Division No. 1]**

**[6.58 pm**

**AYES**

Abrahams, Debbie	Brown, Alan
Ali, Tahir	Brown, Ms Lyn
Allin-Khan, Dr Rosena	Brown, rh Mr Nicholas
Amesbury, Mike	Bryant, Chris
Anderson, Fleur	Buck, Ms Karen
Antoniazzi, Tonia	Burgon, Richard
Ashworth, rh Jonathan	Byrne, Ian
Bardell, Hannah	Byrne, rh Liam
Barker, Paula	Cadbury, Ruth
Beckett, rh Margaret	Callaghan, Amy
Begum, Apsana	Cameron, Dr Lisa
Benn, rh Hilary	Campbell, rh Sir Alan
Betts, Mr Clive	Campbell, Mr Gregory
Black, Mhairi	Carden, Dan
Blackford, rh Ian	Carmichael, rh Mr Alistair
Blackman, Kirsty	Chamberlain, Wendy
Blake, Olivia	Chapman, Douglas
Blomfield, Paul	Charalambous, Bambos
Bonnar, Steven	Cherry, Joanna
Bradshaw, rh Mr Ben	Cooper, Daisy
Brennan, Kevin	Cooper, rh Yvette

Corbyn, rh Jeremy  
 Cowan, Ronnie  
 Crawley, Angela  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Daby, Janet  
 Davey, rh Ed  
 David, Wayne  
 Davies, Geraint  
 Davies-Jones, Alex  
 Day, Martyn  
 De Cordova, Marsha  
 Debbonaire, Thangam  
 Dhesi, Mr Tanmanjeet Singh  
 Docherty-Hughes, Martin  
 Dodds, Anneliese  
 Donaldson, rh Sir Jeffrey M.  
 Doogan, Dave  
 Doughty, Stephen  
 Dowd, Peter  
 Duffield, Rosie  
 Eagle, Dame Angela  
 Eagle, Maria  
 Eastwood, Colum  
 Efford, Clive  
 Elliott, Julie  
 Elmore, Chris  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Farron, Tim  
 Farry, Stephen  
 Fellows, Marion  
 Flynn, Stephen  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Furniss, Gill  
 Gardiner, Barry  
 Gibson, Patricia  
 Gill, Preet Kaur  
 Girvan, Paul  
 Grady, Patrick  
 Grant, Peter  
 Green, Kate  
 Green, Sarah  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Hamilton, Fabian  
 Hamilton, Mrs Paulette  
 Hanna, Claire  
 Hanvey, Neale  
 Hardy, Emma  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Sir Mark  
 Hendry, Drew  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hodgson, Mrs Sharon  
 Hollern, Kate  
 Hopkins, Rachel  
 Hosie, rh Stewart  
 Howarth, rh Sir George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Jardine, Christine  
 Jarvis, Dan  
 Johnson, rh Dame Diana  
 Johnson, Kim  
 Jones, Darren  
 Jones, Gerald  
 Jones, rh Mr Kevan  
 Jones, Ruth  
 Jones, Sarah  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz (*Proxy vote cast by Pat McFadden*)  
 Khan, Afzal  
 Kinnock, Stephen  
 Kyle, Peter  
 Lake, Ben  
 Lavery, Ian  
 Leadbeater, Kim  
 Lewis, Clive  
 Linden, David  
 Lockhart, Carla  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lynch, Holly  
 MacAskill, Kenny  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, rh John  
 McFadden, rh Mr Pat  
 McGovern, Alison  
 McKinnell, Catherine  
 McLaughlin, Anne  
 McMahan, Jim  
 McMorris, Anna  
 Mearns, Ian  
 Miliband, rh Edward  
 Mishra, Navendu  
 Monaghan, Carol  
 Moran, Layla  
 Morden, Jessica  
 Morgan, Helen  
 Morgan, Stephen  
 Morris, Grahame  
 Murray, James  
 Nandy, Lisa  
 Newlands, Gavin  
 Nichols, Charlotte  
 Nicolson, John  
 Norris, Alex  
 O'Hara, Brendan  
 Olney, Sarah  
 Onwurah, Chi  
 Oppong-Asare, Abena  
 Osborne, Kate  
 Oswald, Kirsten  
 Owatemi, Taiwo  
 Paisley, Ian  
 Peacock, Stephanie  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Phillips, Jess  
 Phillipson, Bridget

Powell, Lucy  
 Qaisar, Ms Anum  
 Qureshi, Yasmin  
 Rayner, rh Angela  
 Reed, Steve  
 Rees, Christina  
 Reeves, Ellie  
 Reeves, Rachel  
 Reynolds, Jonathan  
 Ribeiro-Addy, Bell  
 Robinson, Gavin  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Saville Roberts, rh Liz  
 Shah, Naz  
 Shannon, Jim  
 Sharma, Mr Virendra  
 Sheppard, Tommy  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smith, Alyn  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Smyth, Karin  
 Sobel, Alex  
 Spellar, rh John  
 Starmer, rh Keir  
 Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham

Adams, rh Nigel  
 Afolami, Bim  
 Afriyie, Adam  
 Aldous, Peter  
 Allan, Lucy  
 Anderson, Lee  
 Anderson, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atherton, Sarah  
 Atkins, Victoria  
 Bacon, Gareth  
 Bacon, Mr Richard  
 Badenoch, Kemi  
 Bailey, Shaun  
 Baillie, Siobhan  
 Baker, Duncan  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, rh Steve  
 Baynes, Simon  
 Bell, Aaron  
 Benton, Scott  
 Beresford, Sir Paul  
 Berry, rh Jake  
 Bhatti, Saqib  
 Blunt, Crispin  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bowie, Andrew  
 Bradley, Ben  
 Bradley, rh Karen  
 Braverman, rh Suella  
 Brereton, Jack  
 Bridgen, Andrew  
 Brine, Steve  
 Bristow, Paul

Sultana, Zarah  
 Tami, rh Mark  
 Tarry, Sam  
 Thewliss, Alison  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thompson, Owen  
 Thomson, Richard  
 Thornberry, rh Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turner, Karl  
 Twigg, Derek  
 Twist, Liz  
 Vaz, rh Valerie  
 Wakeford, Christian  
 West, Catherine  
 Western, Matt  
 Whitehead, Dr Alan  
 Whitford, Dr Philippa  
 Whitley, Mick  
 Whittome, Nadia  
 Williams, Hywel  
 Wilson, Munira  
 Wilson, rh Sammy  
 Winter, Beth  
 Wishart, Pete  
 Yasin, Mohammad  
 Zeichner, Daniel

**Tellers for the Ayes:**  
 Mary Glindon and  
 Colleen Fletcher

#### NOES

Britcliffe, Sara  
 Browne, Anthony  
 Bruce, Fiona  
 Buchan, Felicity  
 Buckland, rh Sir Robert  
 Burghart, Alex  
 Burns, rh Conor  
 Butler, Rob  
 Cairns, rh Alun  
 Carter, Andy  
 Cartledge, James  
 Cash, Sir William  
 Cates, Miriam  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Sir Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Simon  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Clifton-Brown, Sir Geoffrey  
 Coffey, rh Dr Thérèse  
 Colburn, Elliot  
 Costa, Alberto  
 Coutinho, Claire  
 Cox, rh Sir Geoffrey  
 Crabb, rh Stephen  
 Crosbie, Virginia  
 Crouch, Tracey  
 Daly, James  
 Davies, David T. C.  
 Davies, Dr James  
 Davies, Mims  
 Davis, rh Mr David  
 Davison, Dehenna

Dinenage, Dame Caroline  
 Dines, Miss Sarah  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Donelan, rh Michelle  
 Double, Steve  
 Dowden, rh Oliver  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, James  
 Duguid, David  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Eastwood, Mark  
 Edwards, Ruth  
 Ellis, rh Michael  
 Elphicke, Mrs Natalie  
 Eustice, rh George  
 Evans, Dr Luke  
 Evennett, rh Sir David  
 Everitt, Ben  
 Fabricant, Michael  
 Farris, Laura  
 Fell, Simon  
 Firth, Anna  
 Fletcher, Katherine  
 Fletcher, Mark  
 Fletcher, Nick  
 Ford, Vicky  
 Foster, Kevin  
 Francois, rh Mr Mark  
 Frazer, rh Lucy  
 Freeman, George  
 Freer, Mike  
 French, Mr Louie  
 Fuller, Richard  
 Fysh, Mr Marcus  
 Gale, rh Sir Roger  
 Garnier, Mark  
 Ghani, Ms Nusrat  
 Gibb, rh Nick  
 Gideon, Jo  
 Glen, John  
 Goodwill, rh Sir Robert  
 Gove, rh Michael  
 Graham, Richard  
 Gray, James  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Griffith, Andrew  
 Griffiths, Kate  
 Grundy, James  
 Gullis, Jonathan  
 Hall, Luke  
 Hammond, Stephen  
 Harper, rh Mr Mark  
 Harrison, Trudy  
 Hart, Sally-Ann  
 Hart, rh Simon  
 Heald, rh Sir Oliver  
 Heapey, James  
 Heaton-Harris, rh Chris  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Hoare, Simon  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Adam  
 Holmes, Paul  
 Howell, John  
 Howell, Paul  
 Huddleston, Nigel  
 Hudson, Dr Neil  
 Hunt, Jane  
 Hunt, rh Jeremy  
 Hunt, Tom  
 Jack, rh Mr Alister  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkinson, Mark  
 Jenkyns, Andrea  
 Jenrick, rh Robert  
 Johnson, Dr Caroline  
 Johnston, David  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Fay  
 Jones, Mr Marcus  
 Jupp, Simon  
 Kawczynski, Daniel  
 Keegan, Gillian  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kruger, Danny  
 Lamont, John  
 Largan, Robert  
 Leadsom, rh Dame Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Loder, Chris  
 Logan, Mark  
 Longhi, Marco  
 Lopez, Julia  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cherilyn  
 Maclean, Rachel  
 Mak, Alan  
 Malthouse, rh Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 Maynard, Paul  
 McCartney, Karl  
 McPartland, Stephen  
 Menzies, Mark  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Mrs Maria  
 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  
 Mullan, Dr Kieran  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, rh Dr Andrew  
 Neill, Sir Robert

Nici, Lia  
 Nokes, rh Caroline  
 O'Brien, Neil  
 Offord, Dr Matthew  
 Opperman, Guy  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Sir Mike  
 Penrose, John  
 Percy, Andrew  
 Philp, Chris  
 Pincher, rh Christopher  
 Poulter, Dr Dan  
 Pow, Rebecca  
 Prentis, Victoria  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Randall, Tom  
 Redwood, rh John  
 Rees-Mogg, rh Mr Jacob  
 Richards, Nicola  
 Richardson, Angela  
 Roberts, Rob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rutley, David  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, rh Alok  
 Shelbrooke, rh Alec  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, Chloe  
 Smith, Greg  
 Smith, rh Julian  
 Smith, Royston  
 Solloway, Amanda  
 Spencer, Dr Ben  
 Spencer, rh Mark  
 Stephenson, Andrew  
 Stevenson, Jane  
 Stevenson, John  
 Stewart, Iain  
 Streeter, Sir Gary  
 Stride, rh Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, rh Rishi  
 Sunderland, James  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin (*Proxy vote cast by Christopher Pincher*)  
 Tracey, Craig  
 Trevelyan, rh Anne-Marie  
 Trott, Laura  
 Tugendhat, Tom  
 Vickers, Martin  
 Vickers, Matt  
 Villiers, rh Theresa  
 Walker, Sir Charles  
 Walker, Mr Robin  
 Wallis, Dr Jamie  
 Warman, Matt  
 Watling, Giles  
 Webb, Suzanne  
 Wheeler, Mrs Heather  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wild, James  
 Williams, Craig  
 Williamson, rh Sir Gavin  
 Wood, Mike  
 Wragg, Mr William  
 Wright, rh Jeremy  
 Young, Jacob  
 Zahawi, rh Nadhim  
**Tellers for the Noes:**  
**Gareth Johnson and**  
**Michael Tomlinson**

*Question accordingly negated.*

7.13 pm

*The debate stood adjourned (Standing Order No. 9(3)).*

*Ordered, That the debate be resumed tomorrow.*

**Sir Christopher Chope** (Christchurch) (Con): On a point of order, Madam Deputy Speaker. Last Thursday the Minister responsible—the Under-Secretary of State for the Home Department, my hon. Friend the Member for Corby (Tom Pursglove)—assured us that the Passport Office service would be set up in Portcullis House so that Members of Parliament and their staff could get quick and easy access to deal with urgent passport cases. That service has been set up, but I wish to raise the issue of the number of people staffing that service. Today, there was a very long queue of people waiting to access the service, and some people were having to wait for over two hours before they could get their questions dealt with by the officials there.

The issue is compounded by the fact that the Passport Office nationally is still failing to deal with telephone inquiries in a timely fashion. I have a constituent who

has written to me today saying that they have spent 25 hours of their life on hold trying to get through to the Passport Office. They wish to get a passport to enable them to go to a family funeral overseas. The only reason they need a new passport is that their old one was cancelled by the Passport Office in error because it incorrectly transposed information from somebody saying they wished to cancel their passport and the information of my constituent, so unfortunately the other applicant's passport was not cancelled but my constituent's was. This is intolerable—what can be done about it?

**Madam Deputy Speaker (Dame Eleanor Laing):** I thank the hon. Gentleman for his point of order. Sadly, it is not a matter for the Chair. I say “sadly” because we are all aware of how difficult it is to do any business with the Passport Office. We all have large numbers of constituents who are waiting for passports and have been waiting for far too long.

I hear what the hon. Gentleman has said. Mr Speaker would be very concerned that undertakings had been given here in this House and then not followed up. All I can do is facilitate the hon. Gentleman's point of order, explain that it is not a matter for the Chair, and express my earnest hope that those on the Treasury Bench have heard what he has said and will take the necessary action soon.

## Business without Debate

### DELEGATED LEGISLATION

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

#### ROAD TRAFFIC

That the draft Civil Enforcement of Road Traffic Contraventions (Representations and Appeals) (England) Regulations 2022, which were laid before this House on 7 March in the last session of Parliament, be approved.—(*Scott Mann.*)

*Question agreed to.*

## COMMITTEES

**Madam Deputy Speaker (Dame Eleanor Laing):** With the leave of the House, we will take motions 3 to 8 together.

*Ordered,*

#### ENVIRONMENTAL AUDIT COMMITTEE

That Valerie Vaz be discharged from the Environmental Audit Committee and Anna McMorrin be added.

#### JOINT COMMITTEE ON NATIONAL SECURITY STRATEGY

That Sir Edward Leigh be discharged from the Committee on National Security Strategy and Stephen McPartland be added.

#### JUSTICE COMMITTEE

That Andy Slaughter be discharged from the Justice Committee and Karl Turner be added.

#### PUBLIC ADMINISTRATION AND CONSTITUTIONAL AFFAIRS COMMITTEE

That Rachel Hopkins be discharged from the Public Administration and Constitutional Affairs Committee and Beth Winter be added.

#### SCIENCE AND TECHNOLOGY COMMITTEE

That Mark Logan be discharged from the Science and Technology Committee and Tracey Crouch be added.

#### TRANSPORT COMMITTEE

That Navendu Mishra be discharged from the Transport Committee and Christian Wakeford be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

## Child Maintenance Arrears

*Motion made, and Question proposed, That this House do now adjourn.—(Scott Mann.)*

7.18 pm

**Dr Kieran Mullan** (Crewe and Nantwich) (Con): I am grateful to have this opportunity to talk about this incredibly important issue. While the topic is very broad, my speech is very focused.

I am seeking to encourage the Government to move forward rapidly and robustly with proposals for home detention for people who do not pay child maintenance—something I have concentrated on campaigning for in my short time in the House. When discussing this issue, we are talking about the most important building block in our society: the need for parents take responsibility for their own children. The overwhelming majority of parents do exactly that. Whether together or separated, they take care of their financial responsibilities. My parents are divorced, and that had no bearing whatsoever on both of them continuing to look after me and my siblings. But sadly, not every parent does.

As a Conservative, I am of course wary of the state's unnecessary involvement in family life. It is disheartening that the Government have to be involved in this issue at all, and whatever failings I might go on to talk about, the people who most deserve our frustration, unlike campaigners who put all their effort and energy into blaming the Government for everything, are the people not living up to their responsibilities. Unsurprisingly, that sort of campaign does not get brand endorsements and social media favour.

One thing we all agree on in this place is that part of the role of the state is to penalise the worst kinds of behaviour when that behaviour is beyond the pale. We do that most commonly in criminal law, but we also have civil law. In both, we right wrongs and punish people who behave in a way that the rest of society has decided we will not accept. Let me be clear: people who do not contribute to the upkeep of their own children when they could are the lowest of the low, but there is absolutely no system of punishment for that. Do we really think that, as unacceptable as it is, graffitiing a wall or vandalising a park bench is a graver offence than having children and refusing to contribute to their upkeep? I think the latter is one of the most deplorable things someone can do, but absolutely nothing is done to punish people for it—nothing. We fine people who do not send their children to school. We punish that, but not failing to support them.

In a completely perverse contrast, if someone has the much more onerous responsibility of having primary custody of their children and they neglect them, they are punished. What kind of contrast is that? What kind of message does that send?

For all the tough talk about sanctions, which I expect the Minister will cover, all they are aimed at is recovering moneys owed to children. How is that narrow approach working? Certainly there has been some improvement, as described by a recent National Audit Office report. The Department collected a record £54 million in the quarter ending September 2021. The percentage of paying parents contributing more than 90% of ongoing maintenance due in a quarter increased from under one third in March 2016 to around half in September 2021.

**Jim Shannon** (Strangford) (DUP): I thank the hon. Gentleman for bringing this debate forward. Child maintenance arrears are a massive issue in my constituency, as they are in his. Does he not agree that with the cost of living crisis, single-parent families are under more pressure? There are 20,000 children in Northern Ireland alone whose cases are with the Child Maintenance Service's advisers, and they deserve an up-to-date, functional service to ensure that payments are adequate, correct and timely.

**Dr Mullan:** I thank the hon. Gentleman for raising that issue. My focus today is on the need to change regulations, but I accept the wider concern about the functioning and efficiency of the agency. I will go on to talk about his point about the cost of living crisis. Figures suggest that 16% of children who are not in receipt of maintenance payments would be lifted out of poverty if they were, and that shows the level of concern we are trying to address.

We have seen some improvements. The NAO found that the internal processes for moving towards enforcing compliance were better, but the bigger picture is not positive. Of separated families who have a Government-mediated arrangement in place, the NAO found that only one in three see it paid in full, so two in three are not getting the payments in full to which they are entitled. Sometimes, the sums people are expected to pay are incredibly small. At the end of September 2021, total cumulative arrears under the current child maintenance scheme were £436 million. That amount is increasing at roughly £1 million a week, and the total will hit £1 billion by 2031. That is a huge amount of money that is not being paid by non-residential parents, and we have a responsibility to hold to account and punish individuals who behave in this deplorable manner.

**Marion Fellows** (Motherwell and Wishaw) (SNP): Does the hon. Gentleman agree that it is the children who suffer most? The way that the Child Maintenance Service is writing off arrears means that these children will be permanently disadvantaged, with no more holidays and no more of the things that most children would take for granted.

**Dr Mullan:** The hon. Member pre-empts the exact point I was going to go on to make, which is that between December 2018 and March 2021, the predecessor agency wrote off about £2.6 billion of owed maintenance. That is the Government stepping in and legally excusing a parent of their responsibilities to their child. Whether or not it is realistic to recover it, morally I am not sure the Government should be doing that in a child and parent relationship. That is not a success in my book.

As of September 2021, 38,000 paying parents with an ongoing arrangement had not paid any maintenance for more than three months, and 22,000 had not paid for more than six months. That is tens of thousands of individuals happy to let other people pick up their most fundamental responsibility of providing for their child. All too often, it is strangers picking up the pieces through the tax system. In theory, the Department has some tough powers, including imprisonment, but the figures I have quoted clearly show that they are not working. Imprisoning someone, although perhaps morally warranted, stops them being able to earn and is not a



practical solution to use at the scale needed to tackle the tens of thousands of non-payers. Those delinquent individuals have learned that if they just start paying a bit again, the whole system resets.

The Department's civil enforcements are restricted to the collection of arrears at the time when a liability order is granted and cannot be used to enforce ongoing maintenance, which is another reason why an element of punishment would serve a wider purpose. It is not surprising that the evidence shows that overall, maintenance arrears continue to build up, even when the Department begins enforcement action. The NAO found that on average, parents had arrears of £2,200 before the enforcement action began and £2,600 afterwards. As if it were not bad enough that taxpayers have to top up the income of less well-off families when one parent is not contributing, we have to put time, money and effort into chasing up payments with no consequences for those who are not paying.

Taking stronger steps is broadly supported. According to a survey by Mumsnet and Gingerbread, 93% of parents believe that those who regularly avoid paying child maintenance should face more serious penalties. Not only would punishment be morally warranted, but I expect that it would have a powerful effect on compliance and put people off not paying in the first place. As I said, tougher restrictions to ensure that people are paying their child maintenance could lift 60% of children not in receipt of payments out of poverty. With the cost of living crisis, there is no better time to tackle the issue.

A change needs to be made to the system to ensure that the continuous rise in non-payments is tackled, and that is where home curfew can play a role. When the Government originally introduced enforcement measures, they crafted the legal framework to introduce home curfew measures but the powers were never enacted. I am not clear why, but I have campaigned for some time for those powers to be put to use, so I was delighted that, earlier this year, the Secretary of State announced plans to do exactly that. I hope that today's debate helps to encourage the Government to make progress towards that commitment.

I would welcome the opportunity for my constituents to contribute to a consultation; perhaps the Minister could meet me and some of them as plans are developed. It will be no surprise to him that I think it is important that we use this power not just as a mechanism to encourage payments but to punish. If we could meet ahead of the consultation so that we can ensure that that is part of the proposals, it would be appreciated.

Home curfew could remain in place for the designated period regardless of whether a parent started to pay—for example, for three months. I imagine that spending three months at home every night, pondering their responsibilities, would be a powerful reality check. People need to understand that we as a society do not find non-payment acceptable and that they will be punished for not paying for the upkeep of their children.

On a related note, not earning any money should be accepted as an excuse for not paying maintenance only when there has been a genuine attempt to find work, which should be determined in the same way that the Department assesses that as part of the wider work of the welfare state. If someone has responsibility for

children, they should be out there doing everything they can to find a job. If they are not doing that, they should not be out socialising of an evening.

Importantly, unlike imprisonment, home curfew can be used in a way that does not prevent a person from looking for a job and earning, as it can be tailored to their circumstances. It would typically be an evening and overnight curfew to allow people to find and take work during the day, but it could be switched around for people who find night work.

I sound a note of caution. As constituency MPs, we have all had cases of people for whom the administration of maintenance by CMS has gone wrong. Of course, if we are seeking powers to restrict someone's liberty, we need to ensure that the cases are watertight, but we know that tens of thousands of people are not paying and would be fair targets of this policy.

I understand that home detention equipment is available, so we can make the change work. I would welcome people who are not paying having to explain why they have an ankle tag and cannot go to the pub in the evening. I have no doubt that many would say that they are guilty of a minor crime before admitting that they do not pay for their own kids, which tells us all we need to know about how badly we have got it wrong.

I acknowledge that there are many loving parents who would and do contribute to the care of their children but who are prevented from seeing them by the parent who has primary custody. When I first raised the issue of home detention for non-payers, many such parents contacted me and were clearly distressed. I make it clear that I am in no way minimising that and I fully support every parent in exercising their clear legal right to secure access to their children. Of course, it is abhorrent for any parent not to act in good faith when it comes to access, but two wrongs do not make a right and, as with every MP, I have to choose what I campaign on.

I am clear that every child deserves parents who step up and look after them and that no taxpayer should be left filling the void when they do not. On behalf of a society that I believe wants to see tougher action, the Government need to proceed at speed to secure it.

7.29 pm

**The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman):** What an honour and a privilege it is to speak in this very important debate, which relates to every single constituency in the country. My hon. Friend the Member for Crewe and Nantwich (Dr Mullan) should be congratulated on raising a really important issue that has great relevance up and down the land, and every constituency Member will benefit from the fact that he has brought forward this issue in an Adjournment debate. I congratulate him doubly because, as I understand it, this is his first ever Adjournment debate. Obviously, no Member can have an Adjournment debate, as you know, Madam Deputy Speaker, without being blessed by an intervention from the hon. Member for Strangford (Jim Shannon), who I know has supporters in the Gallery and, frankly, across the House of Commons.

**Madam Deputy Speaker (Dame Eleanor Laing):** It is not an absolute rule.

**Guy Opperman:** It is not, Madam Deputy Speaker, but it is an honour for my hon. Friend to be blessed by such an intervention.

My hon. Friend knows, because we have discussed this before, that I am not the Minister with direct responsibility for this issue in the Department for Work and Pensions; that is the noble Baroness Stedman-Scott. I have already informed the hon. Member for Motherwell and Wishaw (Marion Fellows), who has a Westminster Hall debate on the subject, that another Minister will be responding to that debate. As she knows, I have long booked that day off—I have a birthday—so the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Macclesfield (David Rutley), will be responding to her debate on Thursday.

I want to deal with a number of key points at the outset. First, my hon. Friend the Member for Crewe and Nantwich asks whether there can be a meeting very shortly between him and the Minister concerned. I have spoken to the noble Baroness tonight, and she has assured me that on Monday or Tuesday, subject to the demands of his diary and hers, they will meet either in the House of Lords or in the Department for Work and Pensions to take this matter forward.

We should not forget that the purpose of the Child Maintenance Service is to facilitate the payment of child maintenance from one separated parent to another when the parents are unable to reach agreement on how to care for their children following separation, but the interests of the child are at the heart of this policy. The key issue my hon. Friend raises today—this is a perfectly legitimate point that any Member would genuinely want to grasp—is the desire to get the best outcome for the child, namely the payment of the sums to support the child. There is also a desire, as he rightly outlined, to punish the parent who is not participating in the payment. However, the public policy point that always has to be grappled with is that it is very important that the punishment of the offending parent does not impact on their ability to make the payment for the child, because the most important thing is that the child is supported. There are balances to be struck, and that is the really difficult issue that the Child Maintenance Service has to grapple with at every single stage.

**Jim Shannon:** The Minister is absolutely right about the importance of the child, but the system sometimes falls down, as the hon. Member for Crewe and Nantwich (Dr Mullan) mentioned. One of the ways it falls down is in consistency in the officers who look after each case; they often change. Is there any way that that could be looked at, so that each case is looked after by one officer, rather than three, four, five or six?

**Guy Opperman:** The hon. Gentleman has forestalled one of the issues that I was going to raise. I remember the debate secured by the hon. Member for Motherwell and Wishaw on 21 January 2021, in which there was discussion of how the CMS was managing during covid. It was a struggle, to be perfectly blunt; all such services were struggling to provide assistance during the pandemic, and there were complications. I would like to think that all colleagues accept that the Child Maintenance Service has improved as covid has disappeared, as people have been able to return to work, and as consistency has returned because people are no longer getting ill, having to shield and having all the problems that follow.

The hon. Member for Strangford raised the issue of numbers. There are approximately 4,000 staff working for the Child Maintenance Service in the United Kingdom. That is a lot of people who are addressing this problem on an ongoing basis. I take the criticism, and the constructive criticism, about consistency in dealing with a case. In every MP's office up and down the country—whether on this issue, on passports, on the Driver and Vehicle Licensing Agency or on any public services—there are desires and hopes for consistency, so that people can build up a relationship with a particular individual. Clearly individuals working in the public sector are free to move on to other things, but the criticism is legitimately made, and I take it on board; I am certain that the noble Baroness does, too.

My hon. Friend the Member for Crewe and Nantwich talked about collections in his outstanding speech. Collections are increasing. The criticism can be made that they are not increasing enough, but despite the difficulties of the pandemic, CMS collections have continued to increase; they rose by 8% between 2018 to 2021, and in 2021 some 71% of paying parents who used the collect and pay service were complaint.

In the quarter ending December 2021, a total of £46.6 million was paid through the collect and pay service; in addition, £210 million was due to be paid through direct pay arrangements. As a result of child maintenance payments, between 2018-19 and 2020-21—the most recent period for which there are statistics—the households of some 140,000 children were taken out of the category of low-income households. That goes to the point made by the hon. Member for Strangford and emphasises the desperate importance of this issue. It is particularly relevant in a cost of living crisis. Those payments are made both through family-based arrangements and the CMS.

The main point of the speech by my hon. Friend the Member for Crewe and Nantwich was about enforcement, and I turn to that now. When a parent fails to support their child and fails to fulfil their financial responsibilities, a number of options cut in. If arrears have begun to accrue, the CMS aims to take immediate action to re-establish compliance. For example, £3 million was collected between October and December 2021 through CMS civil enforcement action.

There are other enforcement powers, too. If a non-compliant paying parent is employed, the service will first attempt to deduct the maintenance and any arrears directly from their earnings. That is done by a deductions from earnings order or request; employers are obliged by law to take that action. This represents a quick and efficient way of going directly to the source of income to obtain the money. We learn these lessons from those who are the best at this: the taxman, who basically goes to earnings directly and ensures that they get immediate recovery.

**Marion Fellows:** That works in the civilian world, but not always with certain military people. There are real issues with chasing them for child payments.

**Guy Opperman:** I will reveal the product of a conversation I had earlier with the hon. Lady. I take note of her point, and if she gives me details of specific examples, particularly if there are regiments where this is a problem, I and the Department will be most interested to know

about them. Of course, it would be best if we could respond to them before her important Westminster Hall debate on Thursday.

Where earnings cannot be accessed directly and there is a solely-held bank account—an absent father or mother has a bank account in their name—deductions can be taken directly from that account, and administrative methods can then be used to take control of goods, passports and other things on an ongoing basis.

My hon. Friend the Member for Crewe and Nantwich talked about sanctions. We clearly use them only as a last resort, but a paying parent found guilty in court of wilful refusal to pay, or of culpable neglect in relation to payment of arrears, may be prevented from holding or obtaining a driving licence for up to two years, or alternatively may be committed to prison. As I indicated, we have also got the power to disqualify non-compliant parents from having a passport. Those are pretty serious penalties, but I take the point that that is not a direct penalty for the offending behaviour.

**Dr Mullan:** The important point is that those powers tend to be at the end of an extensive, long-winded process, but people get very good at dropping in and out of it and, as a result, are no worse off. They can play the game all the way to the end and then say, “Okay, fine. I’ve got some money that I’ll give you.” They give money for a couple of months and then drop back out. They are no worse off as a result—they have not paid an extra penny in maintenance or served any punishment. It is about tackling that wider behaviour. That is not to say that the powers are not used effectively on occasion—as the Minister said, the deduction orders work well for some people—but a contingent of people are playing the system and not getting punished for it.

**Guy Opperman:** My hon. Friend makes a totally fair point. As always, a way forward is to take up specific examples with the CMS and Ministers directly, and I urge him to go to the Minister next week with those specific examples so that she and the director of the Child Maintenance Service can be challenged on why a particular individual is not being pursued in a particular way. Although there is the public policy thing, I keep coming back to how, ultimately, one is trying to encourage payments to be made. That is the difficult bit that one must address.

I want to touch briefly on sanctions, because these are pretty major powers. Between January 2020 and December 2021, the CMS initiated almost 6,000 sanctions against paying parents, so there are not one or two examples but thousands. While the majority of those do not involve the courts as compliance is achieved, between 2020 and 2021, £3.5 million of child maintenance was collected from paying parents undergoing sanctions actions. The trigger of a sanction producing payment does work, albeit I accept that in individual examples

there are not sufficient amounts. I mentioned prison sentences, and in that period there were 249 prison sentences and a multitude of driving licence suspensions.

I come finally to curfews. My hon. Friend raised a number of points in respect of the curfew policy, and it is very much the case that we are proceeding with that. He was right to raise it with the Secretary of State, and she agrees with it. We are required by law to consult on it, and I want to give him the specific dates and how he, his constituents and fellow colleagues in the House can get involved. First, he—and his constituents through him—can feed into the consultation process prior to it happening. A public consultation on the power is intended to run from 13 June to 22 July, with the aim of its being published on 12 October. The order will then be commenced, subject to the approval of Parliament—it must pass through this place. He therefore has two windows: the first to influence the consultation before 13 June; and, secondly, he, his constituents and other colleagues can feed into the consultation in the normal way. *[Interruption.]* I need to face the front of the House. I apologise, Madam Deputy Speaker. I meant no discourtesy to you—I was attempting not to be discourteous to my hon. Friend—and I accept the implied criticism.

It is very important that representations are made in that way, and that there is the opportunity for my hon. Friend’s constituents to ensure that the extra power is a strong enforcement power and that there are more options, so that they can use the right lever to obtain compliance. The existing sanctions clearly disrupt a paying person’s earnings and that is the key conflict with the desire to get money to the children. The benefit of the power is that it is likely to disrupt a paying person’s lifestyle, rather than their earning capacity. Given that curfew orders will not affect employment or the ability to earn, we feel that that is the right way forward.

I thank my hon. Friend for raising this important matter. I hope that I have addressed some of the points he considers important. I want to finish on one key outside point. We are in very difficult times with the pandemic having ended, but more particularly with international breakdown and the war in Ukraine. The Government’s priorities are: growing the economy to address the cost of living; making streets safer; funding the NHS; and providing the leadership we need in challenging times. One of those bits of leadership, unquestionably, is ensuring that the Child Maintenance Service, particularly in challenging times, is genuinely performing to the best of its possible ability, getting the best outcomes for individual children and the constituents who we all serve. This reform and the work we are taking forward, I hope, will get that outcome.

*Question put and agreed to.*

7.45 pm

*House adjourned.*



# Written Statements

Tuesday 17 May 2022

## BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

### Contingent Liability: Energy Supply Company Special Administration Regime

**The Minister for Energy, Clean Growth and Climate Change (Greg Hands):** Today I will lay before Parliament a departmental minute describing a contingent liability arising from the issuance of a letter of credit for the energy administrators acting in the special administration regime for Bulb Energy Ltd (“Bulb”). This letter of credit replaces a previous one originally provided in December, which was extended in February and March, and which has now expired.

It is normal practice when a Government Department proposes to undertake a contingent liability of £300,000 and above, for which there is no specific statutory authority, for the Department concerned to present Parliament with a minute giving particulars of the liability created and explaining the circumstances.

I regret that, as a result of continued negotiations with the counterparty and the reduced parliamentary sitting period, I have not followed the usual notification timelines to allow the full 14-day consideration period of these issues in advance of issuing the letter of credit.

Bulb entered the energy supply company special administration regime on 24 November 2021. Energy administrators were appointed by court to achieve the statutory objective of continuing energy supplies at the lowest reasonable practicable cost until such time as it becomes unnecessary for the special administration to remain in force for that purpose.

My Department has agreed to provide a facility to the energy administrators, with a letter of credit issued, with my approval, to guarantee such contract, code, licence, or other document obligations of the company consistent with the special administration’s statutory objective. I will update the House if any letters of credit are drawn against.

The legal basis for a letter of credit is section 165 of the Energy Act 2004, as applied and modified by section 96 of the Energy Act 2011.

HM Treasury has approved the arrangements in principle.

[HCWS33]

### Ending BEIS ODA Spending in China

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (George Freeman):** As one of the world’s fastest growing economies, China plays a critical role in addressing many of the world’s most urgent challenges such as tackling climate change and preventing antimicrobial resistance. It is important that we continue to work with China in these areas, and BEIS will build on our collaboration to date with China to address those key global challenges together, as set out in the integrated review of security, defence, development and foreign policy.

However, BEIS is bringing its bilateral official development assistance (ODA) funding in China to an end.

BEIS will not be using ODA funding to support research and innovation partnerships with China as we have previously done through ODA vehicles, such as the Newton fund and global challenges research fund. Existing ODA-funded activity with China through these will finish by the end of financial year 2022-23. The technical assistance we have provided through our UK partnering for accelerated climate transitions programme (UK PACT) is also no longer from our ODA from the end of financial year 2021-22 and, instead, technical assistance to China on climate change issues will be smaller in scale and use non-ODA sources.

[HCWS32]

## HOME DEPARTMENT

### Public Consultation: Extraction of Information from Electronic Devices Code of Practice

**The Minister for Crime and Policing (Kit Malthouse):** Following the successful passage of the Police, Crime, Sentencing and Courts Act 2022, I am pleased to announce that today I am launching a public consultation on the draft code of practice for the extraction of information from electronic devices.

It is vital that victims feel confident in coming forward to report crime, but we know that fear of intrusive demands for information can deter victims from reporting offences or from continuing to support investigations. The powers in chapter 3 of part 2 of the Act therefore strengthen the law to ensure that there is a consistent approach to requesting information from phones and other electronic devices which puts respect for an individual’s privacy at the centre of every investigation.

This code of practice will be a vital tool in ensuring that all use of these powers is lawful and that the powers are used only where it is necessary and proportionate. The draft code makes it clear that the powers must be used only as a last resort. This will ensure that all those who are asked to voluntarily provide their devices and give agreement to the extraction of information, are given all the necessary information to enable them to make the decision that is right for them.

All authorised persons have a duty to have regard to the code when exercising, or deciding whether to exercise, the power. The code will also be admissible in evidence in criminal or civil proceedings and failure to act in accordance with it may be taken into account by the court.

Those who have an interest in the use of these powers and the protection of privacy for complainants are strongly encouraged to respond to the consultation, and I welcome the views of all colleagues on this important guidance.

I will arrange for a copy of the consultation and draft code to be placed in the Libraries of both Houses.

[HCWS31]

### **Istanbul Convention: Ratification**

**The Secretary of State for the Home Department (Priti Patel):** Tackling violence against women and girls—VAWG—is a Government priority and these crimes have no place in our society. Last July, we published our new cross-Government “Tackling violence against women and girls strategy” to help ensure that women and girls are safe everywhere—at home, online and on the streets. We are committed to radically changing how we end VAWG with a whole-system approach focusing on prioritising prevention, supporting survivors and pursuing perpetrators. And in March we published the first ever dedicated and complementary “Tackling Domestic Abuse Plan”, which seeks to transform the whole of society’s response to domestic abuse.

The Council of Europe convention on combating violence against women and domestic violence, commonly known as the Istanbul convention, is a gold-standard international charter for the protection of women and girls. This Government were proud to sign it in 2012, to signal our strong commitment to tackling VAWG. The Government have always remained committed to ratifying the convention and since signing it we have worked to significantly strengthen our legislative framework and have introduced a wide range of tools to protect victims better. Our measures to protect women and girls from violence are some of the most robust in the world, and in some respects we go further than the convention requires.

The Government are now satisfied that they have the legislative framework and other necessary measures in place to meet the requirements of the convention. I am therefore now pleased to confirm, as required by section 1(3)(a) of the Preventing and Combating Violence Against Women and Domestic Violence (Ratification of Convention) Act 2017, that the UK is compliant with the Istanbul convention and in a position to seek Parliament’s approval to ratify it. Ratification will send a strong message to women and girls in this country that the Government are committed to ensuring their safety and to ending VAWG. It will also send an equally strong message to our partners internationally which confirms that the UK remains at the forefront of tackling VAWG across the globe.

I am pleased also to confirm that the Government are today laying the text of the Istanbul convention in the form of a Command Paper in both Houses, alongside an explanatory memorandum. If no objections are raised to ratification of the convention in either House within the next 21 joint sitting days, the Government will arrange to deposit their instrument of ratification. In line with the requirement under section 1(3)(b) of the 2017 Act, I can therefore confirm that I would expect the UK to have ratified the convention by 31 July 2022.

Article 78(2) of the convention allows countries to make a reservation on certain provisions of the convention. This means that the country will not be bound by that particular provision. The Government have decided to make reservations on two of those provisions. We will be applying a reservation on part of article 44, which relates to the prosecution of UK residents for committing acts in another country which are crimes in UK law but not under the law of that other country, and which reflects the provisions of the Sexual Offences Act 2003 and the Domestic Abuse Act 2021. We will also be applying a reservation on article 59, which relates to migrant victims, to enable us to ratify the convention before the evaluation of the Support for Migrant Victims scheme concludes, at which point we will consider the policy issues involved substantively, and whether that reservation should continue. Further detail on the reservations is contained within the explanatory memorandum published today.

I know that ratifying this convention will send a strong message about the UK’s commitment to tackling domestic abuse and violence against women and girls, and will help us to continue to lead the way in tackling these terrible crimes.

[HCWS34]

### **TRANSPORT**

#### **Motoring Agencies: Business Plans 2022-23**

**The Parliamentary Under-Secretary of State for Transport (Trudy Harrison):** My noble Friend, the Parliamentary Under-Secretary of State for Transport (Baroness Vere of Norbiton), has made the following ministerial statement:

I am pleased to announce the publication of the 2022-23 business plans for the Department for Transport’s Motoring Agencies—the Driver and Vehicle Licensing Agency (DVLA), the Driver and Vehicle Standards Agency (DVSA) and the Vehicle Certification Agency (VCA).

The business plans set out:

the key business priorities that each agency will deliver and any significant changes they plan to make to their services, and;  
the key performance indicators, by which their performance will be assessed.

These plans allow service users and members of the public to understand the agencies’ plans for delivering their key services, progressing their transformation programmes, and managing their finances.

The business plans will be available electronically on [www.gov.uk](http://www.gov.uk) and copies will be placed in the Libraries of both Houses.

[HCWS30]

# ORAL ANSWERS

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**not later than  
Tuesday 24 May 2022**

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