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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 14 June 2022

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: Before we start today's business, I want to make a short statement. Members will be aware that today marks the 40th anniversary of the end of the Falklands war. I know that all Members will wish to join me in remembering those who lost their lives during the hostilities, including 255 British military personnel and three Falkland Islanders. We also send our thanks and best wishes to all the veterans.

I hope as many Members as possible will be able to join the service to commemorate the anniversary, to be held in St Margaret's tomorrow. Please, let us have Members there; it is straight after Prime Minister's questions. A register will be taken of those who do not attend. [*Laughter.*]

Oral Answers to Questions

HEALTH AND SOCIAL CARE

The Secretary of State was asked—

NHS Backlogs

1. **Chris Clarkson** (Heywood and Middleton) (Con): What progress he has made on tackling the NHS backlogs in elective care caused by the covid-19 outbreak. [900461]

The Secretary of State for Health and Social Care (Sajid Javid): First, may I associate myself with your remarks, Mr Speaker, about the Falklands war as we remember those who lost their lives and their loved ones?

We are making good progress on tackling the covid-19 backlog, having already halved the number of patients with the longest waits and delivered more than a million tests and checks at our new community diagnostic centres. Our elective recovery plan commits an additional £8 billion to deliver approximately 30% more elective activity than before the pandemic, and we have ambitions to go further to transform services, improve patient care and ensure value for money.

Chris Clarkson: The cost of living is foremost on everybody's minds now, so what assurances can my right hon. Friend give me that my constituents in Heywood and Middleton—a part of the world he knows very well—will get bang for their buck from the extra money they are paying into the NHS and that the money will go on testing and treatment, not management and miscellany?

Sajid Javid: I am pleased to give that assurance to my hon. Friend. We are ensuring that every penny is spent on the elective recovery and makes the greatest possible contribution to tackling those covid-19 backlogs. We are investing £8 billion more over the next three years, and that will increase elective activity. I am also pleased to say that in his region, we have already opened some four new community diagnostic centres; just those four have done 60,000 more checks and tests for his constituents.

Vicky Foxcroft (Lewisham, Deptford) (Lab): Following the covid-19 outbreak and the roll-out of vaccines, thousands of immunocompromised people are still shielding, so can the Secretary of State update the House on where we are on delivering Evusheld, which would allow them to have the freedom that we all enjoy?

Sajid Javid: It is an important question, and the hon. Lady will know that specific guidance is already set out for those who are immunocompromised. As she will also know, Evusheld has conditional marketing authorisation from the independent Medicines and Healthcare products Regulatory Agency. With the MHRA and others, further tests are going on via the UK Health Sciences Authority, because it is essential to ensure that Evusheld works well and satisfies clinicians when it comes to omicron.

Theresa Villiers (Chipping Barnet) (Con): To tackle the covid backlog, it is essential that we expand the capacity of the NHS, and that means more people, so what is the Secretary of State doing to ensure that we recruit the skilled professionals we need for the NHS?

Sajid Javid: My right hon. Friend is absolutely correct, and that is why that is one of our biggest priorities. As well as asking the NHS to come up for the first time with a 15-year, long-term workforce strategy, we are also recruiting at a record rate, with more doctors and nurses working for the NHS than ever before.

Marsha De Cordova (Battersea) (Lab): Demand for eye care services is at an all-time high, with more than 632,000 people waiting on the NHS waiting lists for ophthalmology treatments. Delays to diagnosis and treatment could lead to a loss of sight, as well as stress and anxiety for patients. Given the stark figures, it is vital that we invest in eye health, such as through the national eye care recovery and transformation programme, which, worryingly, is due to end this year. Does the Secretary of State agree that it is essential that funding for this programme is retained so that he can bring down waiting lists and ensure good-quality eye care?

Sajid Javid: The hon. Lady is right to talk about the importance of eye care services. That is why we are putting record investment into dealing with those covid backlogs. As she rightly points out, many of those are in eye care and ophthalmic facilities and surgeries. That record investment is going in, and we will keep it under review to make sure it is leading to the outcome that we all want to see.

Mr Speaker: We now come to shadow Minister, Andrew Gwynne.

Andrew Gwynne (Denton and Reddish) (Lab): More than 2 million people are affected by the backlog in cancer care. Smoking is the leading cause of cancer, and we know that a key component of tackling the backlog

is prevention. Given that, can the Secretary of State assure the House that no current or former tobacco lobbyist working in or with No. 10 will have any influence on the Government's tobacco control plan, prevention strategy or planned response to the Khan review?

Sajid Javid: As the hon. Gentleman will know, all decisions are rightly made by Ministers. I agree about the importance of tackling smoking. The Government are committed to a smoke-free 2030, which is exactly why I commissioned the independent Khan review. I welcome its findings and we are carefully considering them.

NHS Dental Care Services

2. **John Penrose** (Weston-super-Mare) (Con): What steps he is taking to improve the availability of and access to routine NHS dental care services in (a) Weston-super-Mare constituency and (b) England. [900463]

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): The best way to improve access to NHS dental services nationally is through our reforms of the NHS dental contract, which will aim to pay dentists more fairly for their work. Specifically on Weston-super-Mare, a number of measures are taking place in Somerset to open up dental access there, including a nurse-led dental helpline to open up the available appointments.

John Penrose: I thank the Minister for her answer. Even before the pandemic, the NHS commissioned enough dentistry to cover only about half the population of England. Covid has massively increased backlogs and inequalities in Weston-super-Mare and many other parts of the country. Dentistry is now the No. 1 problem raised with Healthwatch, and four in five people say that they cannot find timely care. I agree with her that reforming the NHS dental contract is absolutely essential and urge her to redouble her efforts to fix it as fast as possible.

Maria Caulfield: My hon. Friend is absolutely right that the nub of the problem is the dental contract. Negotiations have started and the details are with the British Dental Association as we speak. We expect to make an announcement before the summer recess.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Like the hon. Member for Weston-super-Mare (John Penrose), I have a number of constituents who have had real problems reaching dentists before and since covid, but there have been some particularly distressing cases since covid. There has never been the right package to pay dentists to do the work, which is driving them out of the business, but the inefficiencies of having to go through the central NHS systems for an emergency appointment are costing the taxpayer dear. When will we see proper certainty around the measures that the Minister just described, so that dentists know that it is worth their while sticking with NHS patients?

Maria Caulfield: As I said, the contract is the nub of the problem; it is currently a perverse disincentive for dentists to take on NHS work. We are serious about

reforming it, we are in discussions with the BDA, and we will make the announcements before the summer recess.

Simon Fell (Barrow and Furness) (Con): I thank my hon. Friend for her work on pushing that contract reform through, because it is key to shifting the dial. In areas such as mine, where people are waiting to get on to waiting lists for dentists, there is a huge dearth of dentists to provide treatment. Can she speak about the recruitment challenge that we will have to meet when the reform comes through?

Maria Caulfield: My hon. Friend is right that the issue is not just about the contract, although that is a key aspect of trying to get more dentists to take on NHS work. We are working on a number of incentives to increase recruitment, including working with Health Education England on centres for dental development to train more dentists in those hard-to-reach areas, which tend to be coastal and rural areas.

We are also looking at how we can reform the overseas dentist policy. We are working with the General Dental Council on that and may be bringing legislation forward towards the end of the year to improve that, too.

Mike Amesbury (Weaver Vale) (Lab): Kathryn Townsend got in touch with me about her son Max, who has severe complex sensory issues and learning difficulties. He waited up to two years for an appointment. In that time, several rotten teeth have had to be removed. Conservative Governments have had 12 years now to get things right. When will the Minister get an urgent grip of the situation?

Maria Caulfield: The hon. Gentleman says that we have had 12 years, but he may recognise that, during the pandemic—two of the years that he talks about—routine dental appointments were not available because of the type of aspiration procedures that they involve. Only urgent appointments were available. We are now enabling 95% of the usual activity to take place, and that will soon be 100%. That means that there is still quite a backlog to get through, but we are in a better place than we were this time last year.

Kate Griffiths (Burton) (Con): Like colleagues, I have many constituents struggling to access an NHS dentist. I recently met with Uttoxeter Dental Practice, which has significant concerns about the UDA—units of dental activity—system, as it is not working for dentists or patients. I understand that a review has been promised for many years. Can my hon. Friend update me on when it might take place?

Maria Caulfield: My hon. Friend is right: there is a perverse disincentive in the current contract in that under the UDA dentists are not paid in relation to the level of activity or work they have to do for an appointment. That is the nub of the problem and we are in discussions with the British Dental Association right now; it is reviewing our proposals and we hope to have news very soon.

Ms Marie Rimmer (St Helens South and Whiston) (Lab): People with dementia deserve to be treated with dignity and respect. There are ways to enable those living with dementia to lead the lives they want. This is

what the all-party group on dementia inquiry is currently investigating. Will the Secretary of State commit to attending the all-party group's inquiry—

Mr Speaker: Order. Sorry, but that is not relevant to the question, which is about dentistry.

Ms Rimmer: I have Question 5 on dementia.

Mr Speaker: I cannot jump questions; this question is about dentistry so I now call the shadow Minister, Feryal Clark.

Feryal Clark (Enfield North) (Lab): Members across the House have been calling on the Minister to fix the crisis in NHS dentistry, but she seems intent on burying her head in the sand. The Government have no plan, with the Minister running scared from even talking to dentists at a conference last week. Patients are suffering as a result, with a third of adults and half of all children not having access to an NHS dentist. In Wakefield alone, a child under 11 is admitted to hospital every day for tooth decay. Does the Minister agree that the people of Wakefield should bear this in mind next Thursday?

Maria Caulfield: I am sure the people of Wakefield are as frustrated as I am that the Labour dental contract, put in place in 2006, is the nub of the problem. If the hon. Lady were to meet with dentists, she would hear loud and clear that the dental contract is causing the problem. *[Interruption.]* She might not have listened to my previous answers because she is not listening now, but we will be announcing changes before the summer recess.

Daisy Cooper (St Albans) (LD): At the start of this year the Government announced £50 million to create some new dentistry appointments, but that money resulted in exactly zero new appointments in my constituency. I wrote to every single dental practice in my constituency and they said that was because the funding offer was too limited in scope and time and they were given only a week to reply.

On 25 April, I wrote to the Minister asking how many appointments had been created from this money across England and where that money had gone. I have not received an answer. Will we get one today?

Maria Caulfield: I am very disappointed: that £50 million of funding was for dentistry to access and be able to afford more appointments, and if local commissioners in an area did not bid for that money or ask dentists to take that money on, that is extremely disappointing—those in other parts of the country certainly did. We are putting £3 billion a year into dentistry. Local MPs have a role to play in this: if there was a problem, I would have expected the hon. Lady to have come and seen me before now to lobby for more funding for her local area.

Nurse Recruitment

3. **Ian Levy** (Blyth Valley) (Con): What progress he has made on recruiting 50,000 nurses. [900464]

The Minister for Health (Edward Argar): This Government committed to growing the NHS workforce, including our pledge of 50,000 more nurses by 2024,

and we are delivering on that, as we are delivering across Government, with almost 31,000 more nurses so far as of March 2022—the latest data point we have.

Ian Levy: I commend the Government on their target to train 50,000 new nurses. I know first-hand how hard the nursing staff work in the NHS as I worked as a mental health support worker for almost 30 years. With that in mind, I welcome the new school of nursing to be built at the Cramlington A&E Hospital. Will my hon. Friend do me the honour of visiting Cramlington to see for himself the construction of this amazing new facility?

Edward Argar: I pay tribute to my hon. Friend for his work supporting the NHS and healthcare in this country both prior to and subsequent to his election to this House. I would be delighted to visit Cramlington with him—indeed, on the same visit perhaps I could visit his local health facilities to see modular construction in action. I should also say that his ever-efficient office has already invited me.

Gareth Thomas (Harrow West) (Lab/Co-op): More nurses across the country, and particularly in Harrow, would make a real difference in helping those who suffer from diabetes. Given that this is Diabetes Week and that diabetes has a disproportionate impact on those from a south Asian background—particularly, for example, among my Gujarati constituents—when will the Minister put extra resources into tackling this terrible health condition?

Edward Argar: I am grateful to the hon. Gentleman for his important question. As he highlights, we are investing more in more nurses, but there is also a large piece of work to do on health education and improving access to those services for people with diabetes. I urge him to look forward with eager anticipation to the health disparities White Paper.

Jonathan Gullis (Stoke-on-Trent North) (Con): Mr Speaker, you will be aware that I am proud to support the “no time to wait” cross-party campaign to ensure that we have a mental health nurse in every GP surgery across the country. I am delighted to see the hon. Member for York Central (Rachael Maskell), who supports the campaign, in her place.

I was delighted to read that the Secretary of State has said that we will recruit 2,000 mental health nurses into GP practices. Can I have more detail on how that will work? Can we look at Norfolk, which is using primary care networks, and third sector organisations such as Mind to help with that recruitment?

Edward Argar: I am grateful to my hon. Friend for drawing attention to this important issue as well as for highlighting what is going on in Norfolk and the opportunities to learn from that. The Government have put record funding into mental health, and I understand that my right hon. Friend the Secretary of State is due to meet him and supporters of the campaign soon.

Mr Speaker: I call the shadow Minister.

Dr Rosena Allin-Khan (Tooting) (Lab): Working a shift in A&E just two days ago, I could not have felt prouder of the teams of nurses who form the foundation of our NHS. As the Minister is so gushing about the

Government's track record, will he explain why specialist food banks are being opened up in hospitals? Will he explain why, in a report by the Royal College of Nursing, 83% said that staffing levels on their last shift were not sufficient to meet patients' needs safely and effectively? These lifesavers need a Government who are on their side. Only Labour will deliver for the NHS workforce and ensure that nurses and patients get what they rightly deserve.

Edward Argar: I think that I detected the hint of a question in there. On a serious point, I pay tribute to the hon. Lady, as I often do on such occasions, notwithstanding the challenges that she throws at us, for the work that she does in the NHS and the work that she did before she was elected to the House. Through her, I also pay tribute to NHS workers up and down the country for their work.

The Government have put in place record support for our NHS, including nurses, which is about supporting those already on the frontline in the profession—that is absolutely right—and about growing that workforce to ensure that the work that needs to be done is spread among more people. That is exactly what we have done. We have record numbers in our NHS workforce, and we are well on target to meet our manifesto commitment on more nurses.

Primary Care Staff Recruitment

4. **Suzanne Webb** (Stourbridge) (Con): What progress he has made on recruiting 26,000 primary care staff. [900465]

The Secretary of State for Health and Social Care (Sajid Javid): The Government's commitment to deliver 50 million more general practice appointments is critical for improving access to primary care across the country. Our workforce are crucial for that, and we are well on track to deliver 26,000 more full-time primary care staff by March 2024, with more than 18,000 primary care staff already recruited since 2019.

Suzanne Webb: I thank my right hon. Friend for that answer. Does he agree that when it comes to accessing primary care services, the Government have given GPs the support and guidance that they need and that GPs must now make every effort to see our constituents face to face, which is what they expect? What more can be done to support GP practices to make their processes more efficient for patient access to test results and blood tests and for booking appointments?

Sajid Javid: I agree with my hon. Friend and am incredibly grateful, as she is, for the huge contribution of GPs during the pandemic in helping to deliver the largest vaccination programme that the NHS has ever seen. Because of the pandemic, we also provided record support to GPs that helped to cut bureaucracy, helped them to share their workload and helped clinicians to give even more support to patients.

We are starting to see the results of that, with face-to-face appointments going up—we would like to see them go up much further. We would also like to see increases in appointments, including for access to blood tests. My hon. Friend might know that yesterday we published our new data strategy, which sets out how, using the NHS app, we will give more people access to their health results.

Ms Karen Buck (Westminster North) (Lab): The United States company Operose Health runs 70 GP surgeries across the country, including the Randolph Surgery in my constituency. Yesterday's "Panorama" broadcast indicated serious concerns about its quality of service, staffing levels and patient safety. Since then, constituents of mine have approached me to reflect their concerns about the service. What steps is the Secretary of State taking now, urgently, to establish what has gone wrong? Will he meet MPs with those surgeries to discuss our concerns?

Sajid Javid: First, I will ensure the hon. Lady gets the meeting she requests. She will know that NHS GP services all have to meet the same requirements, the same regulations and the same standards across the country. Where patients are not getting that care and those standards are not being met, we expect local commissioners to take action.

Dementia Care: Social Care Workforce

5. **Ms Marie Rimmer** (St Helens South and Whiston) (Lab): What steps he is taking to help ensure that training for the social care workforce meets the needs of people living with dementia. [900466]

The Minister for Care and Mental Health (Gillian Keegan): It is crucial that the health and social care workforce have the necessary skills to provide high-quality care for those living with dementia. As announced in the White Paper, we will invest £500 million in training, and we will work with social care staff to co-produce a knowledge and skills framework to include the dementia training standards framework. Later this year, we will set out our plans on dementia for England for the next 10 years, which will include plans for dementia training.

Ms Rimmer: People with dementia deserve to be treated with dignity and respect. There are ways to enable people living with dementia to live the lives they want to lead and that is what the inquiry by the all-party parliamentary group on dementia is investigating right now. Will the Secretary of State commit to attending the APPG's inquiry report launch in September to hear how that can be achieved? Most importantly, will he commit to taking on board its recommendations? Families of people with dementia feel they are neglected and not getting the attention they need. I urge him to attend the launch of the report.

Gillian Keegan: I completely agree with the hon. Lady that we, of course, must treat all those living with dementia—and all those caring for people with dementia, which is a lot of people in the country—with respect and do everything we can to support them. That is why we will, as I say, be setting out our plans for dementia in England for the next 10 years and why the Secretary of State mentioned dementia in a speech very recently. I will personally commit to attending the APPG. I am very happy to work with her on this issue to understand what more we could be doing and what more we can do to inform the 10-year plan for dementia in England.

Dame Caroline Dinenage (Gosport) (Con): I am really grateful to my hon. Friend for her commitment to train social care staff in dementia. Timely and accurate diagnosis is really important to ensuring that people living with

dementia get on the right care and support pathway. A lot of my constituents are still struggling to get the face-to-face appointments that are so crucial in that. What is she doing to ensure that GPs in my local area are equipped to recruit, train and be resourced to get early diagnosis in place for people?

Gillian Keegan: My hon. Friend is absolutely right. We had been meeting our dementia diagnosis target consistently at the national level from July 2016 until the end of March 2020, when, obviously, we all know what happened. The diagnosis rate dropped below our target for the first time in almost four years, and reflects the impact the pandemic had on memory assessment services and GP referrals into those services. In the last financial year, we allocated £17 million to specifically address dementia waiting lists and increase the number of diagnoses. That was spent in a range of ways, including on investing in workforce to increase capacity in memory assessment services and on improving access to pre and post-diagnostic support and carer support.

Karin Smyth (Bristol South) (Lab): Quality care for our loved ones depends on a well-trained and motivated care force. I think we can all agree on that, and I commend the work of the all-party group. I hear the words of the Minister, but we have had a lot of warm words about a dementia strategy and the promise of a clear date. Can she be more specific about a date for publication, and can she be clearer about the workforce plan, including training for staff, given the Government's rejection of all workforce amendments to the Health and Social Care Levy Act 2021? We cannot give confidence to people suffering with dementia and their carers without a much clearer plan that is in place very quickly.

Gillian Keegan: I assure the hon. Lady that there is a lot of work happening on workforce across the whole of our health and social care services, whether in mental or physical health. Health Education England is working on the matter now and will publish a framework shortly. The workforce strategy set out in our White Paper is just the beginning. We will work closely with adult social care leaders and staff, and the people who draw on that care and support, to implement it now, and to take forward and build on those policies now and in the future. There is a lot of work, and we are serious about it; the hon. Lady can look forward to seeing a lot of documents before the end of the year.

NHS Integrated Care Systems

6. **Rosie Cooper (West Lancashire) (Lab):** What assessment he has made of the effect of integrated care systems on cross-boundary NHS trusts. [900469]

The Minister for Health (Edward Argar): NHS trusts have an integral role in the local health and care system. We expect appropriate engagement between integrated care boards, integrated care providers and the respective NHS providers in an area. An NHS trust is a formal partner of an ICB if it provides any services in the ICB area and has the function of participating in the nomination of members to the board. Regulations give details as to how to determine which trusts that provide services in an ICB area should participate in the nomination process.

Rosie Cooper: Notwithstanding the Minister's comments, Cheshire and Merseyside integrated care system has recently made the decision to stop my West Lancashire constituents accessing routine dermatology at St Helens Hospital, which is the only nearby provider. Due to geography, my constituents are in the Lancashire ICS, and are therefore not represented in Cheshire-Mersey—in place or local authorities.

My question, which I have asked several times, is: what is the Department doing to ensure that there is a mechanism for my constituents in Lancashire ICS to be represented in Cheshire-Merseyside's decision-making process, which directly affects the care they are given? I have raised this point about cross-border difficulties so many times that I must question whether we any longer have a national health service, or whether we have a series of protected ICS kingdoms.

Edward Argar: The hon. Lady and I speak regularly about different aspects of her local health system, and I am happy to do so again on this matter. I do not know the exact details behind the specific example, but I do not think it relates directly to how ICSs are configured in statute and guidance. I would be happy to meet her to understand the local factors that may have contributed to the situation.

Nursing in Care Homes

7. **Jacob Young (Redcar) (Con):** What steps he is taking to increase the quality of nursing in care homes. [900470]

The Minister for Care and Mental Health (Gillian Keegan): Nurses play a pivotal role in social care and work hard to deliver high-quality care. Increased funding announced on 11 May for nursing in care homes will support tens of thousands of care home residents with nursing needs, including those with learning and physical disabilities, with a 11% increase in 2022-2023 and an estimated £87 million backdated for 2021-22. Our £500 million workforce reforms will provide a new fund to help nurses to meet their continued professional development objectives.

Jacob Young: We have just had Carers Week, in which we recognised the significant contribution of care home staff, domiciliary care workers and unpaid carers. However, I have spoken to care providers in Redcar and Cleveland, so I know that we need to do more to support them, particularly with the recruitment and retention of skilled care workers. Will the Minister come to Teesside to meet me and care providers, and discuss what can be done to support them in their efforts?

Gillian Keegan: My hon. Friend rightly says that our health and social care workforce are our greatest asset; we cannot thank them enough for their extraordinary commitment, working day and night to put people's care and safety at the centre of everything they do. We accept that there is more to be done to support our adult social care workforce and encourage more people into the sector. Our "People at the Heart of Care" White Paper, backed by our £500 million investment, will develop and support the workforce over the next three years, and help to address long-term structural barriers to recruitment and retention. I would be happy to visit care providers in Teesside with my hon. Friend.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I beg the departmental team to look carefully at something that is close to my heart: AF or atrial fibrillation. In care homes and every nursing setting, we need people to detect the early signs of atrial fibrillation. If it is not detected, it often leads to strokes, which are one of the most expensive things for the NHS to cope with. We do not have enough AF awareness or testing. Can we get a campaign going on the issue?

Gillian Keegan: I am certainly happy to meet the hon. Gentleman to understand more about the issue. At the heart of it, I think, is prevention; we are trying to understand how we can prevent some of what causes greater illnesses later on for those who are in a care home or are receiving social care in their own home. That is certainly a big part of the strategy for our social care reforms.

Health and Social Care: Leadership and Management

8. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What steps he is taking to raise the quality of leadership and management across the health and social care sectors. [900471]

16. **Lucy Allan** (Telford) (Con): What steps he is taking to raise the quality of leadership and management across the health and social care sectors. [900480]

The Secretary of State for Health and Social Care (Sajid Javid): In health and care, strong leadership can make the difference between life and death. I have been clear that we can accept only the highest possible standards and that in some cases poor leadership has been tolerated for too long. That is why I have accepted in full the recommendations of General Sir Gordon Messenger's independent review and will set out a delivery plan to begin what I think will be the biggest shake-up in health and social care leadership in a generation.

Daniel Kawczynski: Bearing in mind that the NHS will receive approximately £180 billion of taxpayers' money this year, improving leadership and management in the NHS is extremely important, and nowhere more so than in the Shrewsbury and Telford Hospital NHS Trust. Despite the trust obtaining £312 million from the Treasury to improve accident and emergency services, a lack of coherent leadership has resulted in no decision being taken as to how the money will be spent. With rising costs in the construction industry, that is of great concern to us. Will the Secretary of State intervene with our local hospital trust to make sure that the money is spent as expeditiously and quickly as possible?

Sajid Javid: My hon. Friend is absolutely right about the importance of leadership. I am pleased to tell him that my Department has just received the strategic outline case for his local A&E's Future Fit programme, which is currently being reviewed. As he undoubtedly knows, the business case process is led by the trust and is already supported by some early funding; I understand that the trust aims to present the full business case by 2023, with construction starting in the same year and to be completed by 2028. The Minister for Health will shortly visit Shropshire and will meet my hon. Friend and other colleagues.

Lucy Allan: Orthopaedic surgery at the Princess Royal Hospital has still not restarted since the pandemic. That is causing huge suffering for those who have been waiting for surgery, in some cases for several years. A hip replacement is transformative to quality of life and reduces other care needs, but orthopaedic surgeons continue to be paid despite not operating, and no alternative is being offered to patients—they are not even being given an expected operation date. Will implementing the Messenger review require NHS leadership to be more accountable to the public so that decisions such as refusing to restart much-needed surgery can be challenged?

Mr Speaker: This is a strange grouping, but it is a very important question, so do answer it, please.

Sajid Javid: I thank my hon. Friend for her tireless campaigning on the issue, which she brought up recently in the Health and Social Care Committee. I am pleased to tell her that elective orthopaedic surgery at the Princess Royal Hospital will resume from 20 June.

My hon. Friend is right about the importance of the Messenger review. There were many examples of excellent leadership in it, but sadly there were also examples of poor leadership, including bullying and blame cultures. That is why it is essential that we have this huge reform.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): As hard as all hospital leaders and managers work, sometimes something goes wrong on their watch. What follows is one such example.

On Friday, I met Joanna, a lovely mum of two young children, who was diagnosed with secondary cancer three months ago. Since then, she has been passed from pillar to post and has received no treatment at all. Unfortunately, she is now receiving palliative care. What Joanna wants more than anything is to stop what happened to her happening to anyone else. Will the Secretary of State personally look into Joanna's case to make sure that she finally gets the treatment she urgently needs, and that no one else is failed by the system as Joanna has been?

Sajid Javid: Yes, of course I can give the hon. Lady that commitment. I am very sorry to hear about Joanna; I think of her, her loved ones and her two children. I will absolutely look personally into the case. I hope that the hon. Lady agrees that where we see poor outcomes, it is important to make sure that we have the best possible leadership in place.

Valerie Vaz (Walsall South) (Lab): I have already raised the issue of the governance at Walsall Manor Hospital. I welcome the Messenger-Pollard review—the Secretary of State will know that there is also a report called “The snowy white peaks of the NHS”, which says roughly the same thing—but I have been fobbed off because the leadership at Walsall and Wolverhampton remains the same. Could he look into why Walsall Manor should not have its own chief executive?

Sajid Javid: These are important issues, and I have discussed this with the right hon. Lady. I will take another look at the management of Walsall Manor.

Sarah Atherton (Wrexham) (Con): Last week, a BBC Wales documentary reported on the shocking state of Wrexham Maelor Hospital and the NHS in north Wales, which is led by the Welsh Labour Government and was in special measures before covid. The average wait for referred treatment in England is 13 weeks, but in Wales it is 24 weeks. In the words of Nuffield Trust, the “treatment...may as well not be there”.

Wrexham deserves better, so does the Minister agree that the Welsh Labour Government need to vastly improve the NHS in north Wales before more lives are lost?

Sajid Javid: I do of course agree with my hon. Friend. There are huge challenges for the NHS here in England, but as she has highlighted, the challenges are much greater in Wales because of how the Labour Government there neglected the NHS, way before the pandemic as well as during it. When it comes to leadership, although the Messenger review was commissioned for England, I think they would do well to learn some lessons from it.

Andy Slaughter (Hammersmith) (Lab): Operose Health is one of the biggest employers in the primary care sector. When it bought up 70 surgeries across England, including in Hammersmith and Fulham, the Government were warned that this would put patient care at risk in pursuit of profit. That is what Operose’s US parent company, Centene, is notorious for. Now that the Secretary of State has evidence of Operose employing half the average number of GPs per patient, and of not reading clinical correspondence for six months, what is he going to do about it?

Sajid Javid: The hon. Gentleman might know that in 2007 the then Labour Government changed the law to allow takeovers such as that to happen. He might want to reflect on that. In terms of local management, there are consistent high standards that need to be met locally, and local commissioners should be made aware of what he has just said.

Medicinal Cannabis

9. **Michael Fabricant** (Lichfield) (Con): If he will take steps to help ensure access to medicinal cannabis for NHS patients. [900472]

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): On 1 November 2018 this Government changed the law to allow the prescription of cannabis-based products for medicinal use by a specialist when clinically appropriate. Licensed cannabis-based medicines such as Sativex and Epidiolex are routinely available on the NHS.

Michael Fabricant: I am grateful to my hon. Friend for that answer, particularly as she mentioned 2018, because it was of course her boss, the Secretary of State for Health, who was the pioneer in all this when he was Home Secretary. But there is a “but” coming, and it is that young children are not getting this vital medicine on the NHS. Some are having to pay £2,000 a month, and in the last three years only three prescriptions have been issued on the NHS. How can we improve the situation?

Maria Caulfield: My hon. Friend has been campaigning on this issue for a long time, particularly on the tragic case of his constituent, Vicky Clarke. I have met the all-party parliamentary group on medical cannabis under prescription and we have had debates on the issue in this place and in Westminster Hall. The key is to get those products licensed, and we have been in discussion with the Medicines and Healthcare products Regulatory Agency on how to do this. It is about gathering the evidence base. I am pleased to say that NHS England and the National Institute for Health and Care Research have recently announced two clinical randomised controlled trials to try to build that evidence base to get more of these products licensed.

Mr Speaker: We now come to the Scottish National party spokesperson, Martyn Day.

Martyn Day (Linlithgow and East Falkirk) (SNP): The lack of evidence on the quality, safety and efficiency of cannabis-based products for medical use is the main barrier to their being prescribed by NHS clinicians, which is why the SNP continues to support the development of clinical trials. Without proper funding, the UK Government are holding back potential successful health outcomes, so what steps are they taking to increase the priority of medicinal cannabis in research funding?

Maria Caulfield: I met the responsible Scottish Minister in April to discuss this issue. There is not a lack of funding. The National Institute for Health and Care Research has funding available but we are not seeing bids, so this is a plea to the clinicians, researchers and groups for those to come forward. The NHRA is also happy to meet any groups considering undertaking clinical research to ensure that it is the type of research that will provide the evidence they need to licence these products.

Maternity Services

10. **Mrs Emma Lewell-Buck** (South Shields) (Lab): What recent assessment he has made of the availability of maternity services. [900474]

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): NHS England is making £127 million of investment in maternity systems in the next year to go specifically towards the workforce. This is on top of the £95 million already promised for the recruitment of 1,200 midwives and 100 more consultant obstetricians.

Mrs Lewell-Buck: South Tyneside District Hospital’s maternity unit was award winning. In 2019, despite widespread opposition, it changed to a midwife-led birthing centre. It has since been closed, since January. Recently, a whistleblower explained that midwives and expectant mums are being kept in the dark about the future of the unit, staffing levels and bed capacity across the trust. These changes are a direct result of this Government’s forced cuts, so what is the Minister going to do to make sure that babies can be born in south Tyneside?

Maria Caulfield: I have just been very clear that we are investing about £200 million in that workforce. In the hon. Lady’s area, there were staffing pressures during the omicron variant, with high levels of staff sickness,

which meant that South Tyneside District Hospital had to make that difficult decision. My understanding is that those staffing numbers are much better, particularly for sickness absence. If she is struggling to find out from the trust when it hopes to reopen the unit, I am very happy to meet her and members of the trust.

Topical Questions

T1. [900452] **Wendy Chamberlain** (North East Fife) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health and Social Care (Sajid Javid): Today, we remember the 72 people who lost their lives and their loved ones affected by the Grenfell Tower tragedy five years ago.

In the Department of Health and Social Care, we are getting on with the job. We are focused on tackling the covid backlogs. Our new community diagnostic centres are springing up in towns and cities across the country, with 90 of the 160 planned already open and 1 million more tests, checks and scans already delivered. Last week, I set out our plans to modernise health and social care leadership, accepting all the recommendations of the leadership review by General Sir Gordon Messenger and Dame Linda Pollard. Just yesterday, I launched our new data strategy, called “Data saves lives”, to close the digital divide between health and care.

Wendy Chamberlain: Last month, the Joint Committee on Vaccination and Immunisation published an interim statement on the autumn booster programme, in which—once again—unpaid carers have not been included. It is vital that they have equal access to vaccines to paid carers to keep their loved ones safe, as they continue to do right now. Will the Secretary of State advise me when we might receive a final statement from the JCVI on the autumn booster programme?

Sajid Javid: I thank the hon. Lady for raising the importance of getting vaccinations right. She will know that we rely on the independent advice of our clinicians—the committee known as the JCVI—and I think it is right that it is independent. Ultimately, it decides on its advice, and it is for Ministers whether to accept it. However, she has made an important point about unpaid carers, and I will ask the JCVI to see if that can be properly considered in the autumn booster review.

T6. [900458] 2002 **Martin Vickers** (Cleethorpes) (Con): I heard what the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Lewes (Maria Caulfield), had to say about dentistry earlier, and I recognise the work she is doing to improve the situation. However, in northern Lincolnshire, like many other areas, we have very severe gaps in provision. Could the Minister outline what is being done to ensure that newly qualified dentists actually work in the NHS for a considerable time and that new practices are established in the areas where the need is greatest?

Sajid Javid: I am happy to respond to my hon. Friend. He is right that we of course want to ensure that everyone has timely access to NHS dentistry and that the profession is an appealing career choice. Health Education England has a dental education and reform

programme, which will help retain new dentists in the NHS by placing training in areas of greatest need, and offer more flexibility and more career pathways. I can also tell him that, in Lincolnshire, commissioners are already looking at ways to support NHS dentistry through support such as the golden hello incentives.

Mr Speaker: I call the shadow Secretary of State.

Wes Streeting (Ilford North) (Lab): I associate myself with the Secretary of State's remarks as we remember the anniversary of the Grenfell Tower tragedy and support the families in their ongoing quest for justice. I also associate Opposition Members with your remarks, Mr Speaker, on the 40th anniversary of the end of the Falklands war.

Last night's shocking BBC “Panorama” investigation into Operose Health revealed the extent of the crisis in GP surgeries, with patient referrals and test results left unread for up to six months, and with patients being seen by less qualified staff standing in for GPs without supervision. This is exactly what happens when private profit is placed above patient health and safety. Why is the Secretary of State asleep at the wheel instead of launching an investigation into this scandal?

Sajid Javid: As I said earlier, the hon. Gentleman should reflect on the rule changes made by a previous Labour Government that allowed the management of many GP practices to change hands. When such serious allegations are made, it is right that local commissioners investigate them properly and independently. When it comes to GP access and capacity, I hope he will welcome that we are making a record investment, with over £0.5 billion of support during the pandemic, and recruiting GPs at a record rate.

Wes Streeting: The British people are sick and tired of hearing Conservative Ministers, after 12 years in government, passing the buck to everyone else and failing to take responsibility.

Let us look at another scandal that has happened on the Secretary of State's watch. It has now been weeks since he was warned about the negligence, the cover-up and the bribing of whistleblowers to stay silent about the scandals at the North East Ambulance Service. Since then, he has done precisely nothing to investigate the scandal. When will he address patient safety, get a grip and stop passing the buck? Or is this another case of the Government being, in the words of the Culture Secretary, found “wanting and inadequate”?

Sajid Javid: I told Members last week that I will review whether we can have an independent review of the North East Ambulance Service, and the NHS has agreed to an independent review. The hon. Gentleman stands up week after week and tries to claim he is on the side of patients and NHS workers, but we know he is actually on the side of those who are on strike—that is where his loyalties lie. Will he reflect on how many nurses will not be able to get to work and how many appointments will be unattended because of the transport strike? I know he wants to be the second coming of Tony Blair, but he is no more than a pound shop Ed Miliband.

T8. [900460] **Holly Mumby-Croft** (Scunthorpe) (Con): Many in the Scunthorpe area will remember David Hopkins, whom we sadly lost to glioblastoma. Alongside earlier diagnosis, we need improved access to the £40 million the Government have committed to brain tumour research. Will my right hon. Friend look carefully at the findings of the ongoing investigation by the all-party parliamentary group on brain tumours and do all he can to speed up access to this research funding?

Sajid Javid: My sincere condolences to the family of David Hopkins. Cancer diagnosis and treatment is an absolute priority, which is why we are putting £2.3 billion into campaigns and new initiatives to encourage people with suspected cancer to come forward. I am pleased that the referral rate is currently 120% of the pre-pandemic level. I will, of course, read the APPG's report. I visited the largest neurology hospital in the UK last month with my hon. Friend the Member for Hexham (Guy Opperman), and I am determined to ensure that our investment in this vital area of research goes straight to the frontline.

Mr Speaker: I call the SNP spokesperson, Martyn Day.

Martyn Day (Linlithgow and East Falkirk) (SNP): The Government have noted that Sir Robert Francis will give evidence on his work on the infected blood inquiry on 11 and 12 July, and said that they will act after hearing his evidence. What discussions has the Secretary of State had with Cabinet colleagues on the potential impact on victims' mental health of the lengthy waiting times for compensation in relation to contaminated blood?

Sajid Javid: The hon. Gentleman raises a very important issue. The House is well aware of the Government's work to bring justice to those who have been affected by contaminated blood, and we will continue to take that seriously.

Luke Hall (Thornbury and Yate) (Con): A new hospital at Thornbury would provide greater primary care and outpatient services, more GP appointments and a proactive frailty hub to support the elderly to stay in their own home longer. Our bid was submitted against the sustainability and transformation plan wave 4 capital pot, and I thank the Minister for all his work and effort in speaking to me, South Gloucestershire Council and our clinical commissioning group about this bid. Will he update the House on the timescales for its outcome?

The Minister for Health (Edward Argar): I am grateful to my hon. Friend; he rightly alludes to the fact that he is a strong champion of his constituents and has met me on a number of occasions to argue the merits of the Thornbury health centre. As he will be aware, we now have a multi-year capital settlement for our NHS, which will allow us the opportunity, through local systems, to consider the most appropriate projects for investment.

Mr Speaker: Like Chorley.

T2. [900453] **Matt Western** (Warwick and Leamington) (Lab): Planned to process 300,000 tests a day, the Rosalind Franklin laboratory is handling just 30,000 a day. I

understand that some scientists working there are being paid for five days but working just one day a week. Given that the lab cost £1.1 billion, almost twice the original budget, what does this say about the Minister's oversight of the programme?

Sajid Javid: I am afraid that it was not clear to me which tests the hon. Gentleman was talking about; all I heard was "300,000 tests". So if he cares to write to me, I will respond properly to his question.

Mr Speaker: I call the Chair of the Select Committee, Jeremy Hunt.

Jeremy Hunt (South West Surrey) (Con): Has the Secretary of State read the study in the *British Journal of General Practice* that says that people who see the same GP over many years are 30% less likely to go to hospital, 30% less likely to need out-of-hours care and 25% less likely to die? If he has, will he consider changing the GP contract to restore individual patient lists and reverse the change of two decades ago so that everyone has their own family doctor?

Sajid Javid: I have not read that review, but now that my right hon. Friend has mentioned it I will certainly take a look at it. He raises an important point about access to GPs. He is right to say that many people would want to see the same GP again and again—that would be their preference. One can see how that may lead to better clinical outcomes, but I hope he will respect the fact that others do not mind if they do not see the same GP and just want rapid access. It is important that we get the right balance.

T3. [900454] **Imran Hussain** (Bradford East) (Lab): Despite the Secretary of State's assertion that we have had record investment in our GP practices, the reality remains that many of my constituents cannot get an appointment to see their GPs for days, if not weeks. That is putting their health at serious risk and forcing them to go to accident and emergency because there is nowhere else to go. In Bradford, we need a new hospital, and I will continue to campaign for that, but our imminent need is for an urgent treatment centre. Will he meet me to discuss that option seriously and provide the funding to our local NHS trust?

Sajid Javid: The hon. Gentleman is right to talk about the importance of timely access to GPs, whether in Bradford or across the country. There are, of course, challenges across the country, which is one reason why we put in place an action plan, including some £500 million of extra funding, during the pandemic. On his plea for an urgent treatment centre, I will make sure that the Health Minister will meet him.

James Wild (North West Norfolk) (Con): Before the jubilee weekend, I was pleased to welcome the Minister to the Queen Elizabeth Hospital to see the cracking RAAC—reinforced autoclaved aerated concrete—which the Department understands needs to be replaced. So will he take the opportunity to build a new QEH, fit for the future? When will the patients and staff at QEH know that they are on the list? They are impatient for a decision.

Edward Argar: It was a great pleasure to visit my hon. Friend before the jubilee weekend and to meet the staff who do such an amazing job at his local hospital. As ever, he puts his case clearly and firmly for a new hospital to replace the QE in King's Lynn, and we hope to be able to announce the longlist of those expressions of interest in due course.

Mr Speaker: Including Chorley, I hope.

T4. [900455] **Neale Hanvey** (Kirkcaldy and Cowdenbeath) (Alba): In response to yesterday's urgent question on GDP, the Minister cited a drop in covid test uptake to explain the drop in GDP. Coronavirus test device approvals have been moving at glacial speed, with UK companies having to spend significant money preparing to mitigate this. Monkeypox also indicates unexplained changes in viral behaviours, and we know that covid is once again on the rise, so domestic diagnostics should be a vital component of effective prevention and strategic planning. Will the Secretary of State or a Minister meet me to discuss how best we harness these resources?

Sajid Javid: As I have said before, no country got every decision right during the pandemic, but one thing we did get right was our response in terms of diagnostics, vaccinations and antivirals. That combination allowed us to become the first country in Europe to open up and therefore also to boost our economy. I will make sure that the hon. Gentleman gets the meeting he has asked for.

Jack Brereton (Stoke-on-Trent South) (Con): As the Secretary of State knows from our previous discussions, we have serious concerns about West Midlands ambulance service and the significant delays we have experienced in north Staffordshire. The way to address the problems is by NHS partners working together, and Staffordshire fire service has said that it wants to do more to help the ambulance service. Will my right hon. Friend agree to do as much as he can to improve ambulance services in Stoke-on-Trent and Staffordshire?

Sajid Javid: My hon. Friend makes a very good point and some good suggestions. West Midlands ambulance service is my local ambulance service too, and I recently met its chief executive officer and chairwoman. As he knows, the NHS has published and is executing a 10-point plan for emergency service recovery, but I shall certainly take what he says into account.

T5. [900456] **Richard Burgon** (Leeds East) (Lab): Increasingly, hospitals have food banks to help NHS staff to cope with the cost of living crisis. Is it any wonder that the number of nurses leaving the NHS is at its highest for years? After a decade of pay cuts, will not yet another below-inflation pay award mean that even more nurses leave, which will have a hugely detrimental impact on patient care?

Sajid Javid: I am pleased to say that we have more nurses working for the NHS than at any point in its history, and last year we recruited an additional 10,900.

Sir Christopher Chope (Christchurch) (Con): Does my right hon. Friend the Secretary of State accept that some people have died as a direct result of having had covid-19 vaccines?

Sajid Javid: I accept that the vaccine has not worked in the intended way for every single person. I am afraid that this is a risk with any vaccine that has ever been approved in any major country. It is right, however, that when something goes wrong with a vaccination, it is looked at appropriately, and I am happy to discuss this further with my hon. Friend.

T7. [900459] **Patricia Gibson** (North Ayrshire and Arran) (SNP): On Friday, the cross-party Public Accounts Committee described the UK Government's procurement of £4 billion of unusable PPE during the pandemic, which is now to be burned, as the result of a "haphazard purchasing strategy". Who does the Secretary of State believe should be held responsible for this unacceptable squandering of taxpayers' money through awarding multiple deals to friends and associates of Ministers or senior Tories, and the deadly mismanagement of the supply of PPE?

Sajid Javid: I hold the covid virus responsible.

Nick Fletcher (Don Valley) (Con): I thank the Secretary of State for his recent visit to Doncaster Royal Infirmary. I apologise for the fact that the lights went out while he was there—it was not planned, but it did bolster my campaign for a new hospital. Will he meet me again during Men's Health Week, to discuss a men's health strategy, which many Members across the House believe would help an awful lot of men?

Sajid Javid: Yes, that is a very important issue and I will be happy to meet my hon. Friend.

Mohammad Yasin (Bedford) (Lab): When I wrote to the Minister recently about my concerns about NHS dentistry waiting times, I was advised that my constituent was not restricted by geography, which implied that he should travel for an appointment, but the whole of the east of England has been identified by the Association of Dental Groups as a dental desert. The Minister is well aware of this problem, the severe workforce shortages and the broken dentistry contracts. When will the Government stop blaming the dental practices, get on with the job and get the workforce this country needs?

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): This Government are not blaming dentists for the pressures they are facing. If anyone is to blame, it is the Labour Government for their 2006 contract. We are amending that contract, and will make an announcement before the summer recess.

Kerry McCarthy (Bristol East) (Lab): Suicide prevention organisations such as the Campaign Against Living Miserably and Papyrus are, sadly, needed more than ever, yet in the current economic climate, because they tend to rely on charitable donations, they are struggling to provide the services to meet demand. What will the Government do to make sure they survive and provide the life-saving services that are so badly needed?

The Minister for Care and Mental Health (Gillian Keegan): Of course every suicide is a tragedy. We must do all we can to help to prevent suicide. In the last financial year, we provided £5.4 million to 113 voluntary, community and social enterprise organisations; we also provided £510,000 for the Samaritans helpline for people

experiencing distress. That is in addition to more than £10 million we provided to voluntary and charitable mental health organisations in 2020-21.

Jim Shannon (Strangford) (DUP): As IVF treatment is incredibly time sensitive, will the Secretary of State consider increasing the funding available to allow couples to make use of private facilities on the NHS, to help families have the children that they so much want?

Maria Caulfield: I cannot comment on health in Northern Ireland specifically as it is a devolved matter. IVF will be a significant factor in the women's health strategy, because we recognise the disparities that exist across the country in how couples currently access IVF.

Hilary Benn (Leeds Central) (Lab): The site for the new Leeds children's hospital and the adult hospital building, the Leeds General Infirmary, will be cleared by the end of this month. The trust is raring to go to build these wonderful new facilities. Can the Secretary of State tell me when the final go-ahead for the construction will be given?

Sajid Javid: The right hon. Gentleman will know that I have visited the site and spoken to local members of the trust. It is a project that we support, and we are in the final stages of the final approvals.

Ronnie Cowan (Inverclyde) (SNP): As was pointed out by the hon. Member for Lichfield (Michael Fabricant), this Government promised medical cannabis on the NHS 1,183 days ago. Since then, a child with epilepsy will have experienced, at a modest estimate, 35,490 seizures. We have free NHS prescriptions, which proves that the medicine exists and is approved for use in the United Kingdom. How much longer must those children suffer?

Maria Caulfield: As I have said, I met the Scottish Minister on this. Scotland is facing exactly the same problem. Where medicinal cannabis is licensed, 9,631 prescriptions have been issued in primary care and 58,000 in secondary care, thanks to my right hon. Friend the Secretary of State who changed the law at the time.

Business of the House

12.36 pm

The Leader of the House of Commons (Mark Spencer): With permission, Mr Speaker, I should like to make a short business statement about business for tomorrow.

WEDNESDAY 15 JUNE—Consideration of a Business of the House motion, followed by a debate on a motion on rail strikes, followed by Second Reading of the Genetic Technology (Precision Breeding) Bill.

Thursday's business remains unchanged and as previously announced. I shall make the usual statement announcing further business on Thursday.

Thangam Debbonaire (Bristol West) (Lab): I thank the Leader of the House for the statement. I clearly need to remind the Government that they are the Government. Instead of touring the television studios in an attempt to defend a failing Prime Minister and grandstanding tomorrow in this place, the Transport Secretary should be relentlessly focusing on getting the parties around the table and getting an agreement hammered out. If he continues to fail, that is on him.

The backdrop to this dispute is that the Tories have overseen a managed decline of our railways. If all the Transport Secretary can come up with is to bring in untrained agency staff, it is clear that this is a Government who have really run out of ideas. Slashing safety standards and putting passengers at risk is not a solution. I remind the Transport Secretary of his job. He is meant to be in government. He holds the power to resolve these disputes. Strikes next week are not inevitable and he could make sure that they are avoided.

In Labour-run Wales, train staff are not going on strike, and all sides are working together to manage change. Labour is on the side of working people. We want our railways to work and people to be able to get to work. Instead of grandstanding, the Government should get a grip and sort out this mess.

Mark Spencer: I think we may have tickled a little nerve somewhere. Perhaps there is a little bit of sensitivity here. I encourage the hon. Lady to approach her union bosses with the same enthusiasm and get them round the table to stop the misery that they are about to inflict on the great British public—on students who will miss their exams, on people who want to get to job interviews. Let us get round the table and discuss this, and I call on her to encourage her union bosses to do exactly the same.

Sir Christopher Chope (Christchurch) (Con): May I congratulate my right hon. Friend on his statement, and on provoking the Labour party into disclosing its true colours as the strikers' friend?

Mark Spencer: I thank my hon. Friend for his question and encourage him to be here tomorrow to participate in the debate.

Mr Speaker: I call the SNP spokesperson, Pete Wishart.

Pete Wishart (Perth and North Perthshire) (SNP): When I first saw that there was to be a change to tomorrow's business, I just presumed that it was to

introduce the "making the UK an international pariah Bill", which we all expect to see in good time. Of all the things to choose, they have chosen to throw red meat to the Tory Back Benches on their favourite subject: hammering the unions and being as anti-union as possible. There is one very significant statement that has been made in the UK today, and that happened in Bute House, in the office of the First Minister of Scotland, where we have indicated our intention to get out of this trail of devastation that is the United Kingdom and become a country of our own. That process has started and the debate is now engaged, and by God are we going to win that one.

Mark Spencer: I thank the hon. Gentleman for his question. Perhaps he will want to participate in tomorrow's debate and offer some advice on how we can get the trains running, just as they got the ferries running.

Mr Peter Bone (Wellingborough) (Con): I congratulate the Leader of the House on changing the business for tomorrow. I think it is the first time, certainly since I have been here, that an Opposition do not want to debate something that the majority of the people want; it is normally the other way around.

Mark Spencer: My hon. Friend makes an interesting observation. I know that he will be in his place tomorrow to participate in the debate and represent his constituents, who want to go about their business using the trains, as they have a right to do.

Kevin Brennan (Cardiff West) (Lab): Can the Leader of the House enlighten us as to what the motion is likely to say? I presume that, as a responsible Government, they will say that there are two sides to every industrial dispute and call on both parties to get around the table, discuss the issues and come to a negotiated settlement in a statesmanlike way. Or will it be a motion from a Government who have given up on governing and are intent simply on sowing the seeds of division among the people of this country? Which is it to be?

Mark Spencer: I thank the hon. Gentleman for his question, which actually has the benefit of being a business question. The House will be able to read the motion when it is tabled later today.

Daisy Cooper (St Albans) (LD): If these strikes go ahead, many people will be very concerned about how they will get to medical appointments, and many health and social care workers will be worried about how they will get to their place of work, including in my constituency, where many rely on the trains. Will the Government's motion outline what contingency measures will be put in place if the strikes go ahead, and will a Health Minister be available to respond to those questions?

Mark Spencer: I fully expect that a Transport Minister will be leading the debate at the Dispatch Box tomorrow, and the hon. Lady will have an opportunity to question them then.

Clive Efford (Eltham) (Lab): Can the Leader of the House tell us, without having to go into the detail of the motion—he has changed the business for tomorrow, so he must have some idea—exactly what substantive decisions he is asking from the House that will help resolve the rail dispute?

Mark Spencer: The hon. Gentleman will have to wait until the motion is tabled later today, but clearly having the debate tomorrow will bring focus to the challenges being faced, and hopefully will put pressure on the unions to come back to the negotiating table at an early stage, rather than calling strikes as a first resort—they should be a last resort.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I beg the Leader of the House to urge his side not to stoke the fires of this dispute. My constituents want to work and they want to go on holiday; they do not want this disruption. They do not care whether it is beer and sandwiches at No. 10—if that sort of thing is still done—or getting around the table as a leader on conciliation. That is what this House expects and what our constituents expect. Do not stoke the fires of this dispute; make peace.

Mark Spencer: I wholly agree with the hon. Gentleman. This needs to be resolved around the negotiating table, and that needs two parties. The unions need to call off the strikes and come to the negotiating table, not inflict misery on our constituents.

Mr John Baron (Basildon and Billericay) (Con): Might I remind my right hon. Friend that in answer to the SNP's question today, we should remind them that they cannot be trusted? When we last had a referendum on the Union, we were assured by the SNP that it would be a once-in-a-lifetime, generational choice. They cannot be trusted.

Mark Spencer: My hon. Friend makes an interesting observation. Once in a generation is certainly not five years; I think it would be nearer to 25 years before it should be considered again.

Jim Shannon (Strangford) (DUP): I thank the Leader of the House for bringing forward the change of business and saying that there will be a motion on rail strikes. Literally hundreds of thousands of people will be affected by the strikes right across the whole United Kingdom, and it is important that we have a solution, so I ask the Leader of the House: will the thrust of the motion that comes before the House tomorrow be to find a solution, or to confront the unions? I would prefer a solution, as would others. May I have an assurance that that will be what the Government are trying to achieve?

Mark Spencer: I thank the hon. Gentleman for his question. The only solution is to get around the negotiating table, call off the strikes and have conversations rather than industrial action.

Personal Statement

12.45 pm

Patrick Grady (Glasgow North) (SNP): With permission, Mr Speaker, I will make a personal statement in compliance with the findings of the Independent Expert Panel in its report, laid before this House today as paper HC 368.

I accept the findings of the Independent Expert Panel and the Parliamentary Commissioner for Standards in full and without reservation. On 20 October 2016, at an SNP social event, I made an inappropriate physical advance to a junior member of SNP group staff. My behaviour and the intent behind it was a significant breach of the behaviour code and the sexual misconduct policy for the UK Parliament. The breach was aggravated by a considerable disparity in age and authority between myself and the complainant, and further aggravated by excessive consumption of alcohol on my part.

I was wrong to make assumptions about the social and personal relationships that existed or had the potential to exist between myself and the complainant, and wrong to act on those assumptions. Blurring personal and professional boundaries in a work environment can be highly problematic, causing confusion, embarrassment, upset and distress, and I should have been aware of that. I should have been far more cognisant of the significant age gap of 17 years between myself and the complainant, and I should have been far more appreciative of the perceptions other people have of me as an elected representative and the real and perceived power that we hold.

I apologise to the complainant without reservation for my behaviour and for the distress and upset it has caused him. Since the incident in 2016, I have participated in bespoke and generic training, which has helped me to reflect more fully on my behaviour, its impact on others and the steps I must take to ensure it is not repeated. That has had a significant impact on my awareness and understanding of my responsibility towards others, especially those who see me in a position of power or authority. It has helped me to better understand how perceptions of my status by others will have changed following my election to Parliament and how that requires different approaches on my part to professional and social environments and situations.

Mr Speaker, I am profoundly sorry for my behaviour and I deeply regret my actions and their consequences. Any breach of the behaviour code and associated policies risks bringing this House into disrepute and will cause distress and upset not just to the complainant, but to the wider parliamentary community. I give you and this House my firm assurance that I have learned significant lessons through this process, and a firm undertaking that such behaviour on my part will never happen again.

I repeat my apology without reservation to the complainant, and extend that apology to you, Mr Speaker, to this House and its staff, to the residents of Glasgow North, my constituency staff, local party members, family, friends and anyone else who has been affected by my behaviour in any way.

Opposition Day

2ND ALLOTTED DAY

HM Passport Office Backlog

12.49 pm

Stephen Kinnock (Aberavon) (Lab): I beg to move,

That this House censures the Minister for Safe and Legal Migration, the hon. Member for Torbay, for his handling of the crisis at Her Majesty's Passport Office; and directs him to come to the House, no later than 20 June 2022, to apologise for the tens of thousands of people who have waited more than six weeks for their passport.

I will start from the outset by saying what this debate is not about. It is not about the hard-working staff who have been so badly let down by the management and the Government. There are countless examples of the fact that the infrastructure that holds our country together is creaking—indeed, in some cases, at breaking point. There can be no doubt that the frankly shambolic state of the Passport Office is an example of the systemic failure that has been designed and delivered by successive Conservative Governments since 2010, because by the time covid hit us in early 2020, a decade of underinvestment had left us with our defences down, lacking resilience and ill prepared for an external shock such as a global pandemic. NHS waiting lists were already at record highs and there were already more than 100,000 staff vacancies. A steady stream of Conservative Chancellors had failed to grow the British economy in line with western competitors, thus depriving the Exchequer of an eye-watering £12 billion of potential income that could have helped us through the pandemic—or indeed £30 billion if the growth trajectory that was established by the last Labour Government had continued.

Manufacturing had been at best ignored and at worst actively undermined by successive Conservative Governments, with 230,000 job losses in manufacturing since 2015 alone, thus leaving our country staggeringly overdependent on China for everything from personal protective equipment to lateral flow tests, and culminating in the disgraceful spectacle of the Government wasting £8.7 billion of taxpayers' money on PPE that did not even meet the required safety standards. A toxic Tory decade of incompetence and indifference left us in early 2020 with a high-tax, high-inflation, low-wage and low-resilience economy, so that when the pandemic struck, we were left stranded in the storm without so much as an umbrella for protection.

But the catalogue of failure that left us in the lurch when covid struck has been matched only by the litany of errors that characterised the Government's chaotic approach to planning for the end of lockdown restrictions.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Speaking as the last passport Minister for the Labour party, we saw the problem coming when the banking crisis hit, with a dip in passport applications, and had a plan for what would happen. This Government seem to have no plan and understanding that after two years of no travel there would be an increase in passport applications. Does my hon. Friend not think that the Government were asleep on the job?

Stephen Kinnock: My hon. Friend is absolutely right. A Government who fail to plan are a Government who plan to fail, and that is what we have seen throughout

this process. We have seen nothing but a Government who are asleep at the wheel, and the British people are paying the price. The catalogue of failure that left us in the lurch is exactly as she says.

Of course, this failure to plan applies to the Passport Office, as set out in the motion before us, but it also applies across Government. The Government are presiding over a country that is mired in bureaucracy, red tape and waiting lists, crippling our economy, costing the taxpayer billions of pounds in emergency spending, and preventing the British people from simply getting on with their lives.

Paul Holmes (Eastleigh) (Con): At the risk of making the shadow Minister come back to the actual topic of the debate, which is passports, his motion outlines that the Minister should apologise to anyone who has waited more than six weeks for their passport. Is he aware that for at least a year the official Government policy, and HMPO's policy, has been a 10-week wait, so would it not have been better for him to check the website instead of coming here and being opportunistic?

Stephen Kinnock: On the causes of this, it is absolutely vital to recognise that the lack of investment in our public services is what has fundamentally left us exposed, and these are the problems we are facing today. On the hon. Gentleman's specific point, the fact of the matter is that there should be an apology to people whose holidays have been wrecked and who have not been able to get to job appointments, funerals and weddings within the timeframe that we are discussing today.

Crime was already at record highs going into the pandemic, but now the court backlog is so long that in 95% of cases victims of violent crime will be waiting more than a year for their day in court—a direct result of Conservative Ministers cutting one pound in every four from the justice budget. Those who need an operation on the NHS can enjoy the luxury of 6 million people on NHS waiting lists, or, if they are in too much pain, they can take their sleeping bag down to their local A&E department for a 12 or 13-hour stay. If you want to go on holiday, you had better hope that you have ridden your luck in the game of pre-flight bingo we are all now forced to play as we cross our fingers and turn up at an airport—that is, of course, assuming that you are lucky enough to receive your new passport. Welcome to backlog Britain.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I am sure the hon. Gentleman will share my dismay at learning that a professional seafarer was forced to miss the crew change on his vessel having waited for 11 weeks to receive a replacement for a damaged passport, specifically because of this Government's inefficiency. This is a professional seafarer who is a key worker forced to miss his crew change. It is not just a matter of holidays—it is affecting people professionally as well.

Stephen Kinnock: The right hon. Lady is absolutely right. There are holidays, weddings and funerals, but there are also direct impacts on people who have needed to go on work assignments abroad. There is the seafarer that she mentioned. There are so many examples of why, when public services are failing, that directly undermines productivity in the private sector. That is why this debate is so important in terms of our economy.

This brings me to a very particular catalogue of failure delivered by the Home Office and a Home Secretary who is completely out of her depth. Under the current Home Secretary, the Home Office is simply not fit for purpose. Crime is up by 18% while prosecutions have collapsed. The six-month asylum waiting lists have hit 73,000 because the number of asylum decisions made under the Home Secretary has halved, costing the taxpayer £4 million a day in emergency hotels alone. The Passport Office delays are causing sleepless nights for thousands of families nationwide.

So today Labour Members will be voting to demand an apology from the Minister to the British people for the abject failure of the Passport Office to meet the standards that it has promised and that the taxpaying British public expect and deserve. The Government had two years to prepare for a spike in passport applications once travel restrictions were lifted. Ministers were warned repeatedly about the possible backlog but they failed to plan and so inevitably failed to deliver. Indeed, the Government's own data shows that the number of full-time HMPO staff has dropped by 681 over the past five years. After a really tough couple of years, British families deserved a well-earned break, but thousands have missed out.

Mr Tobias Ellwood (Bournemouth East) (Con): I look forward to hearing what the Minister has to say. This is an important issue. We want to get these passports sorted. However, this backlog has been unprecedented. I did not look at my kids' passports until very late in the day, after the covid restrictions were lifted, only to find that they were out of date by a number of months. But I was able to get them expedited—not any more so than anybody else—and we got them done. The system actually worked. I hope the hon. Gentleman would agree that one way we can advance the system today is to make sure that civil servants return to working in the Home Office, not from home, because the security checks that need to take place need to be done in that secure environment, not from home, where they cannot be done so efficiently.

Stephen Kinnock: I congratulate the right hon. Gentleman on getting those passports. I have to say that he was one of the lucky ones. The reality is that it was absolutely clear that at some point the travel restrictions would be lifted and there would be a surge in passport applications, and there was plenty of time for Ministers to meet Passport Office officials and make a plan for when that happened. That is basic common sense, basic logic and basic planning. It is the opposite of the incompetence and indifference that we have seen from this Conservative Government.

Fleur Anderson (Putney) (Lab): Does my hon. Friend agree that much of the system is broken, because people are phoning up for appointments that they cannot get, and travelling to Belfast from London, or from Yorkshire to London, to get their passport? Information issues, as well as not getting passports in time, are leaving people high and dry. The Home Office is a Department that should be in special measures.

Stephen Kinnock: I thank my hon. Friend. What an utterly absurd position to be in that somebody who lives and works in London has to go to Belfast to get their passport processed. What kind of crazy, upside-down world are we living in when that is happening?

It is not just about holidays, as I was saying. People have missed vital work interviews and assignments abroad, weddings and funerals. They have not been with crucial identification needed for renting accommodation and the like. I have been inundated with emails from Opposition Members about these very situations faced by their constituents—usually hard-working families who have had their dreams shattered or their nerves shredded. This morning, my Aberavon office is dealing with seven new cases that came through last night alone. I will talk through just a few examples of these nationwide cases so that the Minister can get a clearer picture.

Christine Jardine (Edinburgh West) (LD): The point that the hon. Member is making is the most significant one we should make here today. Yes, the Home Office has shown itself to be unfit for purpose at the moment, but these delays in passports and visas—we are also seeing it with driving licences—are having an enormous impact on the lives of ordinary people up and down this country. Every constituency is inundated with people whose lives have been turned upside down by Home Office incompetence. Does he agree that it is past time it did something about it?

Stephen Kinnock: The hon. Lady is absolutely right. The cost of this issue is not just in broken-hearted families who were not able to go on long-planned holidays, or to go to weddings and funerals; there is a direct cost to the British economy and to productivity, and the huge cost of people having to pay through the nose for fast-track applications. The cost, when it is finally calculated, will be eyewatering.

To give a few examples of the nationwide cases, one family in County Durham had to cancel a dream holiday of a lifetime just before Easter, at a cost of £6,000, because they had been waiting 10 weeks for their six-year-old's passport to come through. The guidance at the time of application was that it would take a maximum of three weeks.

Two parents from north Wales had been living and working overseas in France for two years and were due to return home once the father's visa had expired, with their rent agreement ending this month. They applied for a passport for their new-born baby in mid-February but, four months on, they have still not received that passport, meaning that they have been forced to pay for a hotel at huge personal cost because they are unable to travel back to the UK.

Another set of parents in the west midlands were desperate to get their two-year-old boy, who was having medical difficulties, away on holiday. Despite applying for a passport on 2 January, poor communication from the Passport Office meant they were still waiting several months later.

In my constituency of Aberavon, one individual applied for her first adult passport on 26 February, yet had to cancel her plans to attend a wedding on 4 June. Another of my constituents applied for a passport on 23 March, yet is still waiting 12 weeks on and does not know whether they will be able to travel on 21 June. What does the Minister have to say to those families? Will he apologise to them from the Dispatch Box today?

These failures date back further than the past few months and are about not just resources, but levels of Home Office competence. One man living in east London applied for his first adult passport in September 2021.

[Stephen Kinnock]

He was told to send his old passport back. Then, after 12 weeks, he was told that the application had been cancelled. The Passport Office maintained that his old passport had never been received. The man was then advised to make another application free of charge. That application was rejected. Then, after several weeks of telephone and email exchanges, he finally received confirmation that the old passport had been received with his original application and that his original application should never have been cancelled. He was advised to make a third application, which he has done. You could not make it up.

Beth Winter (Cynon Valley) (Lab): Like Members from all parts of the House, my office has been inundated with queries from constituents distraught at the fact that they either cannot go on holiday or could lose the cost of holiday travel. The situation is chaotic, unacceptable and must be resolved immediately. Does my hon. Friend agree that this could be resolved by the Government if they improved staff retention by meeting the Public and Commercial Services Union's pay demands, worked with the PCS to end insecure agency staff and outsourcing, and completed the roll-out of the digital application programme as soon as possible?

Stephen Kinnock: Is it not extraordinary that the Government's response to the crisis we are seeing is to cut the civil service by 90,000 jobs? In what world is that going to work, when we clearly need more resources, and people focused on customer-facing services? We need to build morale, not destroy it, and we need to show people that they should have good jobs on which they can raise a family. Instead, it is about cutting, undermining and passive-aggressive notes from the Secretary of State for Brexit Opportunities, I think he is called, put on the desks of his civil servants. It really is a disgrace.

Some applicants are having to travel the length and breadth of Britain to get an appointment. One man, as has been mentioned, had to travel all the way from London to Belfast to get his passport sorted. Others are having to pay extortionate costs for fast-track passport services or face losing hundreds of pounds. The number of monthly fast-track applications has more than doubled since December 2021. In April 2022, British families spent at least £5.4 million on fast-track services. The Passport Office's own forecasts show that it expects to receive more than 240,000 fast-track applications between May and October this year, amounting to up to £34 million.

Andrew Gwynne (Denton and Reddish) (Lab): My hon. Friend is right to raise the issue of fast-track applications. My constituency office, like his and no doubt like those of every other Member, is inundated with application cases, but even the fast-track applications are only just coming in under the wire, causing lots of anxiety and lots of work for my staff. What does he therefore have to say about the ability of the private contractors operating passport services? The Home Office has known for some time that this privatised system is deeply inadequate in how it operates passport services.

Stephen Kinnock: My hon. Friend is absolutely right. He is referring to the two main companies, I think, which are TNT and Teleperformance. In both cases, the

level of performance is abject. The question is: to what extent are they being held to account by the Government to ensure that they are delivering? I believe that TNT is on the record saying that its performance is meeting the service level requirements. I would like to see what those service level requirements are, because frankly it is an abject performance.

James Wild (North West Norfolk) (Con): Like the hon. Member, I have had examples of constituents who have had cases and been delayed, and I am grateful for the support that the Minister has given me to help to get those cases resolved so that people have been able to go to weddings and other life-changing events. I thank the great teams working in Portcullis House to unblock these things. I encourage all Members to take that help up. Does the hon. Member recognise that, by the end of this month, more passports will have been issued this year than in the whole of last year?

Stephen Kinnock: I thank the hon. Gentleman for his intervention. It is nice to know that his friend the Minister is helping him out, but the reality is that our inboxes are groaning with issues, failure and the chaos and shambles we are seeing. Because of failure to plan from the outset, we have a bottleneck and a crisis. We hope eventually that the system will catch up, but the pain, heartbreak, missed appointments and missed weddings and funerals have already happened, and the British public cannot get them back. Those moments have passed and that is why this is too little, too late.

Thousands of people have had to wait more than 10 weeks for a passport, making a mockery of the Prime Minister's initial claim on 25 May that almost everybody was getting their passport within four to six weeks. I am sure he will come back and correct the record, although I am not holding my breath on that. Ten weeks is of course the new target introduced by the Home Office when it failed to meet the standard, long-established Government target of just three weeks. More than 30,000 people are waiting more than six weeks and they deserve an apology from the Minister.

The performance of the Home Office simply is not good enough. Ministers are not doing their jobs and the system is simply not working. The Home Office is currently paying millions of pounds to failing outsourced contracts across the Passport Office, including a courier service that is so incompetent that it loses hundreds of passports every year. The Home Office awarded TNT, the US-owned company that is part of FedEx, a £77 million three-year contract to deliver official travel documents in 2019. It has since been criticised for missed deliveries, poor communication and long delays. Meanwhile, Teleperformance—an ironic name, we have to say—the French private company providing private call centre services, has been criticised by the Immigration Minister himself for providing a service that is, in his words, “unacceptable”.

It is therefore utterly staggering that the Prime Minister's answer to the problems facing the Passport Office is, in his words, to “privatise the arse” off the Passport Office. Why? If the blame lies with the contractors, rather than the performance of the Ministers dealing with those contracts, how can more privatisation possibly be the answer—unless he feels that the performance of his own Ministers is so poor that he no longer trusts them? We would not disagree with that assessment, because

we firmly believe that the buck stops with Ministers and that the Home Secretary and her Ministers need to step up their leadership and recognise that they got the planning for the end of restrictions badly wrong.

There is plenty of evidence that the Home Secretary failed to plan. In April 2021, the vaccination programme was being rolled out and restrictions were lifting, but Passport Office numbers decreased by 5%. This year's increases are too little, too late; they should have been in the pipeline since last year, as experts were warning of delays throughout the pandemic. Interestingly, Ministers refused to directly answer my recent written question about how many calls the Home Office had had with Teleperformance contractors and TNT to plan ahead in the run-up to lockdown restrictions being lifted. Perhaps the Minister can provide a fuller account of those discussions today, if any took place.

The PCS says that the Home Office originally estimated that 1,700 new staff members would be needed to deal with the backlog but, as far as we know, only around 500 have been recruited, many of whom are agency staff without the full training. Agency staff inevitably cost the taxpayer more money, which is a clear case of how the failure to plan is putting yet more strain on the public finances.

It is not just staffing levels that have caused the problem. It was staggering to learn recently that the new digital application processing system for passports was supposed to be fully implemented three years ago, but staff are still using the older, clunkier application management system. The Home Office will reportedly be paying penalties for failing to implement the new system, but it is unclear what those penalties will amount to. The new DAP system would increase the speed of passport processing, so this is a major error that is again costing British holidaymakers and other travellers dear. To make other things worse, at this time of backlog Britain, the Prime Minister's second not-so-bright idea is to cut 91,000 civil servants, whom we desperately need to put everything they have into reducing delays and cutting waiting lists.

I have some specific questions for the Minister. What specific steps is the Home Secretary taking to improve the performance of the Passport Office, Teleperformance and TNT? By what date does the Minister expect all passports to be delivered within the 10-week window? How many of the staff brought into the Passport Office are agency staff? What training has been given to agency staff brought in to deal with the surge? Is that training fit for purpose?

Why is the Passport Office still using the legacy AMS? When was AMS originally planned to have been replaced by DAP? Are there any penalty costs for still using the legacy AMS? If so, what are those penalty costs and who will they be paid to? What is the timeline and final implementation date for DAP to be fully functional, and what is the end date for AMS? How many staff are currently engaged in working on the development programme of DAP? How many people were engaged in working on the development programme of DAP on 31 March 2020, 31 March 2021 and 31 March 2022? Why have there been delays in fully deploying DAP and is there a plan to recruit further people to develop and facilitate that? I ask again: how many meetings did the Minister have with the contractors throughout 2021 in preparation for international travel reopening, and what was discussed at those meetings?

The Home Office is simply not fit for purpose under this Home Secretary. The Department has already been placed in special measures twice, with the Ministry of Defence taking over Border Force operations in the channel and the Department for Levelling Up, Housing and Communities managing the Homes for Ukraine scheme. Unless the Home Secretary ups her game, the Passport Office may be taken off her hands as well. More immediately, we need the Minister to apologise to all those people who did what was asked of them throughout the pandemic, worked hard and earned their trips abroad, only to have their hopes dashed and their nerves shredded.

From NHS waiting lists to our courts, from the Driver and Vehicle Licensing Agency to passports, from chaos at our airports and lorry queues at Dover to our broken asylum system, everywhere we look, our country is bogged down in delays and chaos. The year is 2022 and this is backlog Britain. Let us hope that the Minister will do the decent thing today and apologise, and then let us hope that the Government will at least start trying to get their act together, because the British people deserve better than this.

1.14 pm

The Parliamentary Under-Secretary of State for the Home Department (Kevin Foster): It is an absolute pleasure to respond to what we just heard. From the motion and the opening speech, it is obvious that this debate is focused on not the practical or even items particularly relevant to my brief, but the party political—there were no ideas, no plans and no alternative offered.

Let us start with some facts. Prior to the pandemic, Her Majesty's Passport Office routinely processed approximately 7 million passports each year. Due to covid-19 and the necessary restrictions on international travel, only 4 million people applied for a British passport in 2020 and 5 million in 2021. As highlighted by my hon. Friend the Member for North West Norfolk (James Wild), that means that we will soon have dealt with more passports in the first half of this year than in the entirety of last year.

This year, many customers who delayed their applications are returning. It is therefore expected that 9.5 million British passport applications will be made this year, which will require a record output. That is a major surge in demand that we are planning for and have dealt with. Extensive preparation, including a regular ministerial board, started long before the Labour Front-Bench team started to show an interest a few weeks ago. Although we have heard attacks today, I thank those from HMPO who have worked hard to prepare for the surge and to deliver record output levels.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): In general, the hard-working staff at passport offices, including Glasgow, who have been really good at helping my team to resolve some of the passport issues, and on the MP hotline, are dealing as well as they can with what are difficult circumstances. We all know that happy and healthy staff lead to better outcomes, so can the Minister confirm that staff are being provided with the necessary stress management tools and care for their wellbeing?

Kevin Foster: I thank the hon. Member for her comments and join her in paying tribute to the staff at the Glasgow passport office, who are working hard to deal with

[Kevin Foster]

applications, including more complex applications—not every applicant is immediately entitled to a British passport. Ensuring that support is there for staff is one of the things that we discuss with senior managers.

Some staff have worked through weekends as well. We obviously do not enforce weekend working, but there have been overtime opportunities for some months for staff who wish to take them. Alongside that, we are ensuring that there is support for members of staff, because working seven days a week for months on end is not healthy. I thank the hon. Member for the tone and nature of her intervention.

Jim Shannon (Strangford) (DUP): Will the Minister give way?

Kevin Foster: Even though this is not an Adjournment debate, I will give way to the hon. Member.

Jim Shannon: I, too, put on the record my thanks to the Minister and his staff for their responses, and to the Belfast office. Hon. Members have talked about people going from London to Belfast. There is nothing wrong with going to Belfast; I am pleased that people are going and I hope they go there more often. The staff and the offices have done excellent work and they respond very quickly.

To look forward constructively, will the Minister consider increasing staff numbers, increasing the pay band for those working overtime or giving staff a bonus? Those things could help to alleviate some of the concerns and the waiting lists, although I am ever-mindful that the Belfast office is going above and beyond.

Kevin Foster: I join the hon. Member in paying tribute to the staff at the Belfast passport office, who are working hard and delivering a strong service. I am pleased to hear about the engagement that he and his colleagues have had, which reflects some of the comments of other Northern Ireland Members about support in a previous exchange on passports. There is incentivised overtime, but obviously there has to be a balance in terms of wider pay policies. As I touched on, we need to ensure that people are working sensible amounts of overtime, because working seven days a week for months on end is not healthy or appropriate.

We are certainly looking at the future and what the capacity is in particular locations. We looked to see how we could maximise that, particularly as social distancing regulations ended. We dealt with something like 60,000 people at the counters in March and 74,000 last month. Although that is not the majority of our applications, it is certainly a service that we have looked to expand, as I will come on to in a moment.

Nick Smith (Blaenau Gwent) (Lab): Will the Minister give way?

Kevin Foster: I will give way one final time and then make some progress.

Nick Smith: I thank the Minister for giving way. Will he please tell us how big the backlog at the Passport Office is at the moment?

Kevin Foster: We continue to work through a large number of applications. As said, we advise customers to allow up to 10 weeks; however, the vast majority are dealt with well before that, with a quarter of a million applications coming out each week.

I was talking about the actions we have already taken, such as adding over 650 staff since April 2021—not the figure the shadow Minister gave—with a further 550 to arrive into the summer. These actions have been successful: they have increased capacity and output is higher than ever before. Across March, April and May, Her Majesty's Passport Office completed the processing of approximately 3 million applications. In addition to extra staff we have also brought in additional delivery capabilities, such as working with Royal Mail on the return of documents.

With this level of demand, applications will inevitably take longer—an experience not unique to the UK, despite the picture painted by the Opposition. In April 2021—

Munira Wilson (Twickenham) (LD): Will the Minister give way?

Kevin Foster: Not at the moment.

In April 2021, guidance was therefore changed to clearly advise customers to allow up to 10 weeks to get their passport, despite the comment made during the shadow Minister's speech. This change to processing times has been communicated widely and over 5 million text messages were sent to UK customers who had an expired or soon-to-expire passport informing them of the need to allow up to 10 weeks to renew their passport. The vast majority of passport applications are being processed within the 10-week published processing time.

Daisy Cooper (St Albans) (LD): Will the Minister give way?

Kevin Foster: In a moment.

Across March, April and May 98.5% of the applications processed were completed within the 10-week standard and, even against the backdrop of such large demand, most applications are processed much more quickly than 10 weeks, with over 91% of applications completed within six weeks.

Several hon. Members *rose*—

Kevin Foster: I will give way first to the hon. Member for St Albans (Daisy Cooper) and then come to those on my own Benches.

Daisy Cooper: I thank the Minister for giving way. He mentioned the 10-week period during which most passport applications are dealt with. A constituent of mine applied for a straightforward passport renewal 13 weeks ago; she has to know today whether to cancel her holiday or try to wing it and possibly lose £3,500. My team of caseworkers have been to the hub in Portcullis House a number of times but were told this morning that there is no guarantee she will get an answer today. What does the Minister think I should tell her?

Kevin Foster: If the application has been outstanding for over 10 weeks and travel has been booked, we can expedite the process, as I will come on to later in my speech. It is not appropriate for me to discuss the details

of an individual case on the Floor of the House, but if the details are supplied to me after the debate we will be happy to follow up.

Several hon. Members *rose*—

Kevin Foster: I will now give way again, as promised, this time to my colleague from Bournemouth, my right hon. Friend the Member for Bournemouth East (Mr Ellwood).

Mr Ellwood: I am grateful to the Minister. I should first declare an interest: I am a US dual national and have to replace my passport soon, and I have been warned to anticipate an 11-week wait for it to be replaced. As this debate demonstrates, we all want the process to be sped up as much as possible. Can the Minister say whether staff working in the office, rather than from home, would help increase the number of passports processed?

Kevin Foster: I think it is safe to say that the vast majority of Passport Office staff have been back in the office for some time; indeed, as I have touched on, some of them have been in the office for seven days a week working overtime. There is a very small cohort employed specifically to handle digital work that is wholly online and can be dealt with purely online. Mostly that will be what we call simple renewals, where it is not necessary to look at documents—to prove citizenship, for instance. We have done pretty much all we can in getting people back into the office, although we did not exactly get a great deal of support for that approach from the Opposition. I am satisfied that the vast majority are now working in the office; anyone who needs to be in the office to do their work has been in the office now for some time.

Nick Smith: Will the Minister give way?

Kevin Foster: The hon. Gentleman has already intervened once so I will continue.

HM Passport Office endeavours to process all applications as quickly as possible. The simplest of applications submitted online can be processed with fewer manual interventions, as I have just said, meaning a passport can be issued much more quickly. To help customers submit a simpler application, HM Passport Office is currently delivering a digital marketing campaign across social media with some basic tips such as applying online if possible and using a photo code from a photo booth or shop, including the photo booth we have here in Parliament.

It is worth noting, however, that the standard service does not have a guaranteed timeframe as a British passport cannot and will not be issued until all checks are satisfactorily completed. If further information is needed or an application is complex, the application will take longer, especially if there is doubt about whether the applicant is a British citizen.

Liz Saville Roberts: I am afraid the Minister's previous answer to the backlog question did not travel across the Chamber: what is the backlog of passport applications?

Kevin Foster: We continue to get through a very large number of applications. We get through 1 million a month, which speaks volumes about where we are going, and 98.5% of people get their passport within the advertised service standard.

Lucy Allan (Telford) (Con): I congratulate the Minister on his diligence in tackling this difficult problem. Will he continue to help the constituents of Telford in the way that he has? Every single one of my constituents has received their passport when I have approached the Minister. Will he continue to offer that level of assistance across the House to all Members who approach him?

Kevin Foster: That intervention serves as a reminder of the effectiveness delivered by my hon. Friend and the wise choice Telford residents made at recent general elections in electing such a hardworking Member of Parliament to advocate on their issues in this place. I must say that I have not done what my hon. Friend says only for Conservative colleagues; I have also assisted on issues raised by other Members, including one or two who left the Chamber at the start of the debate potentially because of what it was about.

We are keen to get on with delivering services but colleagues will recognise that there is a very great surge of demand. It was interesting to hear the example from the US; there are plenty of other examples of this problem from around the world despite the interesting comments we have heard that have tried to make out that it is somehow unique to Britain. Some Members need to visit a website or two or read an international newspaper; they will then find out that such things do actually happen across the world, not just in the United Kingdom. We will certainly carry on our work, and we are grateful for my hon. Friend's support.

HM Passport Office provides an expedited service where an application from the UK has been with it for longer than 10 weeks. Where a customer in those circumstances can provide evidence that they are due to travel within the next fortnight, their case will be prioritised. That helps to ensure that the small percentage of people whose application has taken more than 10 weeks will continue to receive their passport ahead of their travel. I must stress that this expedited service comes at no additional cost to our constituents. For those who require their passport sooner than 10 weeks, Her Majesty's Passport Office offers urgent services, available for a further fee.

Paul Girvan (South Antrim) (DUP): I want to put on the record my thanks to the Belfast office, which went over and above what could be expected to handle the deluge of applications. Mention has been made of a mechanism for elected Members to access help on passport applications, but the telecommunications aspect of that is not working very effectively as we are not getting a response. Can the Minister say whether adequate numbers of lines are available, because we are getting engaged tones and being held waiting on the line for hours—not minutes, but hours? Could this issue be addressed through additional staff?

Kevin Foster: The simple answer is that, yes, more staff are being recruited but I will address that in more detail later.

Mary Robinson (Cheadle) (Con): This issue has undoubtedly caused a great deal of distress, with many people having had to wait up to the wire before getting their passport. Like others, I am grateful to the Minister, the hub and the Passport Office for working with my

[Mary Robinson]

staff to get the best for my constituents. I want to say thank you on behalf of one of my constituents, who applied for his British passport on the day of his citizenship ceremony in May and, with the help of the Passport Office, was able to get his passport and travel abroad on business.

Kevin Foster: I thank my hon. Friend; the team who dealt with the application will greatly appreciate her giving that example.

Clive Efford (Eltham) (Lab): Will the Minister give way?

Kevin Foster: I turn to priority services, for which appointments are released three weeks in advance. Although appointments are released daily, there is currently high demand, so we are exploring and implementing a range of options to help support people who are seeking access to those services. That work led to the recent opening of an eighth public counter offering urgent service appointments, in Birmingham, and a further increase in appointment availability to help support those people who need their passports quickly.

Karl Turner (Kingston upon Hull East) (Lab): Will the Minister give way?

Kevin Foster: There is, though, one area of the service that we recognise as being not up to standard: the advice line. Teleperformance, which operates the passport advice line, has not achieved the required standard to support customers seeking to make contact about their applications. Officials have worked constructively with Teleperformance towards a rectification plan and, mostly, through the addition of more than 500 staff since mid-April. Its performance has improved significantly, but it remains short of where it needs to be. Officials and I remain focused on ensuring that that is resolved as quickly as possible.

Suppliers have previously been able to resolve issues facing their services through such constructive work. FedEx, the parent company of TNT, resolved the delivery delays experienced at the end of last year and is currently delivering within its contractual service levels. As mentioned, in anticipation of the surge in demand and to provide greater resilience to the delivery network, some domestically delivered passports are arriving via DHL—HM Passport Office's partner for international deliveries—and supporting documents are being returned via Royal Mail.

Munira Wilson: Will the Minister give way?

Alison Thewliss (Glasgow Central) (SNP): Will the Minister give way?

Kevin Foster: I will take an intervention from the SNP.

Alison Thewliss: I have a constituent who had three attempted deliveries from TNT, but he was not informed and did not receive the passport, which was returned to Peterborough. As far as I know, he is still waiting to receive that passport. What should he do?

Kevin Foster: First, the constituent made the right choice by contacting his Member of Parliament, who I know will raise his case diligently. We will certainly be interested to hear the example. Our evidence is that the

vast majority of passports are delivered successfully and appropriately, but, where something has gone wrong, we are concerned to hear about it. If the hon. Member provides me with the details afterwards, I will be more than happy to follow up.

Karl Turner: Will the Minister give way?

Kevin Foster: The failure of the telephone line means that constituents have waited longer than they should have done. There have also been difficulties in receiving prompt updates to inquiries made by right hon. and hon. Members on their behalf. The number of HM Passport Office staff supporting the Home Office's MP hotline and offering input and surgeries at Portcullis House has steadily increased. That will be monitored to ensure that those services to colleagues continue to improve. I am advised that people are now waiting much less time.

Nick Smith: On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker (Dame Rosie Winterton): I hope that it is a point of order and not just disturbing the debate.

Nick Smith: Could you give some advice, Madam Deputy Speaker, on whether there is a difficulty with sightlines to this corner of the Chamber, as the Minister seems unable to see requests to give way from Labour Members?

Madam Deputy Speaker: First, that is not a point of order. Secondly, I am sure that the Minister is well aware of the calls for him to give way, but it is entirely for him to decide whether to do so.

Kevin Foster: Thank you, Madam Deputy Speaker, for helping to advise the Chamber, as always. I have heard mutters about my taking interventions from friends, but anyone who has been in the Chamber to hear me and the SNP debating matters in the last few years could hardly accuse us of having a great friendship.

Munira Wilson rose—

Kevin Foster: I will happily take an intervention from the hon. Member for Twickenham (Munira Wilson).

Munira Wilson: I am grateful to the Minister for giving way to me. Much of the discussion so far has been about delays, and most of my cases are about delays. However, I have one constituent whose original passport and application have been lost by the Passport Office, and he stands to lose his holiday. It is now the subject of a police investigation. As my constituent is waiting for the second application to be processed, will the Minister clarify whether the 10-week clock starts again? What recourse is there for my constituent if he loses his holiday because the Passport Office lost his passport and application?

Kevin Foster: The hon. Member will appreciate that, as I am a Home Office Minister, I should not comment on matters relating to a police investigation from the Dispatch Box. However, if she shares the details with me separately, I will happily look into that. It is rare for there to be a direct police investigation into the circumstances around a passport application, but it is best if I do not speculate from the Dispatch Box.

Several hon. Members *rose*—

Kevin Foster: The routes that colleagues can use to get in contact should not be used to expedite a passport application ahead of a holiday, particularly if the application was submitted only recently, because that is to the detriment of other customers who have been waiting longer and who have no lesser need for these services. Yet, we will always react if we can when there are compelling and compassionate circumstances, as hon. Members have highlighted, or, as several hon. Members will know already from their dealings with me, where there are family funerals or compelling reasons for international travel or where matters could not have been foreseen.

Karl Turner: Will the Minister give way?

Kevin Foster: I am also grateful to colleagues who are giving advice to their constituents in these circumstances as well as for planned travel and for reminding constituents that contacting the passport advice line continues to be the best way to discuss options to get a passport soon. However, as we have made clear, the service standard needs to improve. A “Dear Colleague” letter has been circulated to provide help to right hon. and hon. Members in assisting their constituents.

I must pay tribute again to the staff at HM Passport Office who are working tirelessly to process approximately 250,000 passport applications each week. I am grateful for their continued efforts. It is a pity that others wish to rubbish those, despite not having any ideas or proposals of their own—they are doing so merely for their own political end.

Florence Eshalomi (Vauxhall) (Lab/Co-op): I thank the Minister for giving way and echo his comments on the staff who are working hard to turn the backlog around. I have just received an email from my constituent Tracy Shelbourn, who said:

“Sadly, the problem is not with the US embassy but with our UK Passport Office. I simply need my passport returned, which they retained when I applied for a new passport, so that I can travel to the US.”

What more will the Minister do to address the issues and backlogs that still exist?

Kevin Foster: I have already outlined several things. We are recruiting more staff, we have opened a new inquiry counter, we are having increased delivery capability, and we have been planning for some months.

Karl Turner: Will the Minister give way?

Kevin Foster: I pay tribute to HM Passport Office, where people are working hard—many have been working at weekends as well. Many people are continuing to receive their passports in good time ahead of their holidays this summer.

Karl Turner: Very briefly, will the Minister give way?

Kevin Foster: Go on, then.

Hon. Members: Hooray!

Karl Turner: I am very grateful to the Minister for eventually giving way. My intervention will not be that brilliant, actually. Why is he unable to say what the backlog stands at? Is it because he does not know or because he is afraid to say?

Kevin Foster: Well, what I am happy to keep confirming is about the massive output, the hard work of HMPO, and the plans, which, I must say, were put in place long before Labour Members showed any interest in the subject at all—[*Interruption.*]. They shout, “It was predictable,” but they did not predict it.

Sir Christopher Chope (Christchurch) (Con) *rose*—

Kevin Foster: To let others speak, I need to come towards winding up, but I will give way briefly to my hon. Friend.

Sir Christopher Chope: I am grateful to my hon. Friend for giving way. He has described the current situation. Will he accept that some people, through no fault of their own, have been suffering as a result of the chaos? Will he apologise to those people unreservedly?

Kevin Foster: Look, no one wants to be in a situation where we have a service level of 10 weeks. We would much rather be back at our traditional service level. However, we have had literally millions of additional applications coming in this year, and I have seen the service and the teams nearly quadrupling output in a couple of months—my hon. Friend and I could probably think of some examples of where we would love to see output quadrupled in a public service—so it is difficult to stand here and say that that is all wrong. We appreciate that there are issues and that work is needed to ensure that people do not go over the 10 weeks—unless there is an issue, such as someone making an application when they are not entitled to a British passport. In some cases, we will need to establish that the person is who they say they are—it is their photo, and they are a British citizen—which will inevitably take longer, but I hope my hon. Friend will accept that a lot of work is being, done and has been done for many months. Yes, in individual cases there will of course be difficult circumstances, but we will attempt to respond where we can.

I feel sorry for those on the Labour Front Bench in some ways. They were told to come up with something on passports. Having said “Yes, captain” to the request, the shadow Home Secretary got her team together to come up with some ideas. First, they tried to think of a better way of delivering the service, but had no alternative to what we have done already. Then they looked to see what ideas they had put forward last year, but realised they had not said a word—the claim that it was predictable rather contrasted with their own lack of prediction. Perhaps they wondered whether they could demand that passport staff be in the office, but then remembered that they already are and what they said when the Minister for Brexit Opportunities and Government Efficiency, the right hon. Member for North East Somerset (Mr Rees-Mogg) suggested that about other public services. Perhaps they could have demanded that the contractor who prints the passports be nationalised, but realised that that sounded a bit too much like Jeremy. Maybe they could have pointed to output being higher under Labour, but then they realised it was not, due to the record outputs now being achieved. Then, with a deflated sigh, one of them must have said, “How about we just have a pop at the Minister?” which they all agreed was the only thing they could come up with, hence their motion today.

[Kevin Foster]

The role of Immigration Minister is never an easy one. It brings challenges. It is certainly a role where you cannot please everyone. But it speaks volumes when Labour Members have so little to offer that they resort to a motion attacking the person not the policy. That is not uncommon. We see it on a raft of issues in my brief, where the Labour party has no policy, only political points. From the immigration health surcharge to our migration and economic development partnership with Rwanda, it has no clear view. On the changes needed to tackle abuse of our immigration system and evil people-smuggling gangs, it offers nothing but criticism. For all the Labour shadows I have had since December 2019, and there have been a few, we have not seen one coherent plan come forward. [Interruption.] There have been four choices to change. In short, they are only left with the personal, in the absence of any policy alternative.

Members might wonder why I look happy in the face of today's motion. It is because I am reminded of a quote by our greatest post-war Prime Minister:

"I always cheer up immensely if an attack is particularly wounding because I think, well, if they attack one personally, it means they have not a single political argument left."

How right she was.

1.42 pm

Richard Thomson (Gordon) (SNP): That was quite an interesting listen, I have to say, certainly from the SNP Front Bench. I am struck by the Minister being magnanimous enough to say he feels sorry for those on the Labour Front Bench. Clearly, he feels very sorry for himself with all the criticisms that have come his way, but what I have not heard is a single word of apology or contrition for those who are stuck in the backlog. After that quite extraordinary performance, people are entitled, especially those languishing in that backlog, to feel a growing sense of anger at the incompetence and insouciance of this Government.

To be clear, my censure today is reserved entirely for the ministerial team that has presided over this situation. It is in no way a criticism of staff, who have been doing their utmost in the most difficult of circumstances over the last few years to ensure that processes work as effectively as they can. While the volume of applications is perhaps unprecedented, Ministers cannot, with a shred of credibility, claim that it was in any way unexpected. In fact, at times in recent weeks it has seemed that the Government have been determined not just to restrict the number of people able to come into the country, but to do their level best to prevent people from getting out of the country lawfully, too. Their lack of humility and contrition will rightly enrage those in the backlog. After how many attempts was it—two or three?—the Minister was still unable to say how large that backlog is. He did not even say "pass" or use a lifeline to phone a friend. That is absolutely telling and damning in equal measure.

The 10-week target that the Home Office speaks of is routinely being missed. The Home Office has had access to passport data, including the number of passports set to expire, all the way through the pandemic and was therefore fully aware, or at least ought to have been, of the spike in applications that was likely to come as soon as restrictions on travel were lifted. Ministers did not have to be Mystic Meg looking into a crystal ball to see

what was happening. HM Passport Office is currently advising travellers to allow up to 10 weeks for applications to be processed, up from an average of three weeks before the pandemic. We are hearing of delays of up to five months or even more for applications to be processed. With few or no fast-track appointments available anywhere across the UK due to them being fully booked, travellers are being forced to cancel travel bookings, often losing hundreds of pounds of their hard-earned money in the process.

As ever, we can point to the statistics, but it is the human stories that really get to the nub of the issue. I was made aware, in preparing for this debate, of a case where grandparents had bought a holiday for their grandson as a gift for his 18th birthday, not realising he did not have a passport. It is now touch and go whether he will be able to take up that gift. A case from my own office is of a family looking to return to Scotland from the United States of America. Their inability to get passports for their children is not only risking their ability to travel in accordance with their plans, but preventing them from enrolling their children in school. This is not just about holidaymakers and tourism. For many, having that travel document as a simple form of ID is vital for business, family or practical reasons, or simply for accessing crucial public services.

For many, the failure of the system to process applications timeously and to issue passports will mean yet more forced separations from family and loved ones, after two years of the pandemic and the restrictions we have all been living under. People are again being deprived of the opportunity to say that one final goodbye to those they love, and their nearest and dearest. Business deals and contracts will be lost if meetings cannot take place face to face, where they need to be concluded in person. The Government also need to look at the issues around lost or stolen passport cases, which currently seem to sit outside all escalation processes. It seems that HM Passport Office is dealing with the escalation as if the only thing that matters is the travel date. In many cases, people will need passports faster than any travel date, simply to get visas from other jurisdictions in order to travel.

It is not as if the Government were not forewarned. As early as July 2020, as the first lockdown eased, the issue of passport backlogs was raised with HM Passport Office. Back then the official response was that staff were

"working hard to ensure that anyone with pre-planned travel does not miss out if their passport application has been submitted correctly and in good time".

However, there have been many, many issues that a simple, bland public relations assurance cannot paper over. We heard from the hon. Member for Aberavon (Stephen Kinnock) about the issues with staffing. The lack of staff is clearly the major factor that has contributed to the backlog. The question then becomes: why did the Government not ensure enough people were employed to process the upsurge, in line with usual service standards?

Back in 2021, the Public and Commercial Services Union was promised that there would be an additional 1,700 staff recruited to deal with the predicted increase in applications, but the Home Office struggled to recruit for the reasons we have heard, in part due to the low wages on offer, and we have seen only about 500 additional recruits since then, most of whom have been agency staff. I believe there are currently over 1,000 full-time equivalent agency staff in HM Passport Office alone,

meaning the workforce is between one third and one quarter agency staff. But this is not just about a simple failure to recruit. It is also, due to the conditions, about a failure to retain. Back in April 2016, the number of full-time equivalent paid staff was sitting at just over 3,913. At the time of the pandemic in April 2020, that figure had reduced to 3,585. By March this year, it was down to 3,232. Clearly there is a staffing crisis not just of recruitment, but of retention. It is impossible not to lay the blame with the culture that comes from the top—here.

There are also issues with systems. As we have heard, there have been delays in the full roll-out of the digital application processing system, which the PCS union understood was by now to have taken over from the application management system. The delay is clearly adding to backlogs and complexities, as an understaffed office is having to run two systems. I seek clarity from the Minister. What is the exact timescale for the roll-out of the DAP system? Will he explain why the AMS continues to be used, why there have been delays in fully deploying the DAP system, and why further staff are not being recruited to the project as a matter of urgency to help facilitate deployment and process applications to the expected timescales?

Then, of course, there is a wider problem that affects the Government's attitude to public services: the fragmentation of the service. The Prime Minister said recently that if things did not improve, he would consider privatising the Passport Office, seemingly oblivious to the fact that many of its performance issues can be attributed directly to the impact of the privatisations and part-privatisations that have already taken place. As one Passport Office worker said:

"It shows an absolute ignorance to the actual problems. When we look at the issues in HM Passport Office at the minute, a lot of it is the privatised areas."

The Government have serious questions to answer about their choice of private providers, particularly their choice of courier, given customers' experience of the service when their passports are finally issued. The Government's own data, which tracks the performance of the most valuable contracts with private companies, shows seven companies not reaching their agreed targets, six rated as inadequate and a further one requiring improvement.

Teleperformance, which has a five-year contract of nearly £23 million with the Government, been accused of giving customers "poor, misleading advice." Members across the House will be only too aware of the pressures their own constituency staff are now under, as they are put on hold for hours, trying to get through to someone who can assist our constituents. I do not intend to delve into the issues surrounding TNT, other than to say that that situation clearly should not have been allowed to grow and fester as it did.

The PCS union has sought assurances from HMPO management, including a commitment to work with PCS on workforce planning to properly staff HMPO to cope with the applications without the need for regular overtime. The union has also called for a reduction in the use of contingent labour, and has sought assurances that the Government will work to increase remuneration levels across HMPO and increase the pace of negotiations around allowances for members working in customers service areas. It has sought the provision of a clear timeline for the implementation of digital application

processing, as well as a commitment that no further HMPO work will be privatised or outsourced, and a guarantee that contracts that are currently outsourced will be considered for urgent insourcing. Those all seem perfectly reasonable asks as we try to get through the morass that has been created.

The union sent a letter to the deputy director of customer service operations on 12 May, outlining those issues for clarification and seeking assurances. I stand to be corrected, but I believe that I am right in saying that a response has yet to be received. That is disappointing.

Brexit and the Prime Minister's leadership woes have clearly chewed up considerable political energies and bandwidth that could have been deployed better in getting on with the day job of government over the last few years. It is easy to laugh at the Government's puerile obsession with the symbolism of being able to issue blue Brexit passports. Quite frankly, I would not care if my passport was bright yellow with pink polka-dots if it arrived on time to allow me to get on with what I was doing.

The Home Office clearly does not have its troubles to seek. There has been a continued and conspicuous failure of political leadership over many years, with a steady procession of Home Secretaries who seem to be more interested in throwing red meat to the Back Benchers and playing to the culture wars gallery than trying to get to grips with the day-to-day issues that should concern them. We have seen it in the tragedy of Windrush, the botched handling of the Afghan and Ukrainian refugee crises, the plans to intercept boats in the channel on jet skis, the callousness of the Nationality and Borders Act 2022 and the looming omnishambles of the Rwanda deportations. We have consistently been shown that despite the Home Secretary's bellicose, tough rhetoric from the Dispatch Box, the record is simply one of incompetence and failure—quite frankly, enough is enough.

Too many individuals, families and businesses have been left in limbo by this fiasco; too many have had their plans suspended, upended or overturned; too many have been left unable to demonstrate to authorities who they are for the lack of identification documents, whether they want to travel to access public services or simply to access employment to provide for themselves and their loved ones. The Government need urgently to get a grip.

1.55 pm

Paul Holmes (Eastleigh) (Con): I rise to oppose the motion and speak in defence of the excellent Minister, with whom I have had the privilege of working over the last 18 months. I wish him well and congratulate him on all that he has been doing to ensure that Her Majesty's Passport Office continues as efficiently as possible to clear the backlog. I thank staff, his private office and all HMPO staff for their work to keep Members informed and to work for Members by ensuring that our constituents get their passports replaced as quickly as possible.

It is disappointing that yet again the shadow Minister, the hon. Member for Aberavon (Stephen Kinnock), has decided to stand at the Dispatch Box and castigate and criticise, but offered no alternative solution outlining what a Labour Government would do. He did it throughout my time as Parliamentary Private Secretary at the Home Office: he did it about immigration; he did it about policing; and he has done it about passports. All we

[Paul Holmes]

hear is constant criticism with no plan as to what is best for the country. During the time in which I was privileged to have that job, I would sit behind the Minister and the Home Secretary, and one of the most frustrating things was having to be quiet and listen without being able to come back at the shadow Minister. I am glad that I can do so today—and may I just also congratulate my hon. Friends the Members for South West Hertfordshire (Mr Mohindra), for Bosworth (Dr Evans) and for Stockton South (Matt Vickers) on being appointed PPSs at the Home Office?

I perfectly accept that there has been a backlog, but the Minister and the Government have made a consistent effort to sort it. I saw that during my time at the Department and we can see it in the facts. Although the Labour party refuses to acknowledge it, we have just come out of an unprecedented pandemic, during which travel was banned. At that time, there were 5 million applications a year on average. The number of applications this year is at 9.5 million. It is absurd for the hon. Member for Aberavon to say that this Government have not been doing anything—[*Interruption.*] He can chunter from a sedentary position, but his speech did not deal in facts, so I will be pleased to outline some in my speech.

In April 2021, the Passport Office advised that people should allow 10 weeks for their passports to arrive. The hon. Member for Aberavon kept going on about “six weeks”. I suggest to him, as I did in my intervention, that he simply checks the HMPO website; for the last year and a bit the consistent guidance of the Government has been 10 weeks, but his motion refers to “six weeks”. Already—at the beginning of the debate—the motion is not worth the paper it is written on, because it is factually wrong and flawed.

What the shadow Minister did not outline in his attack on the Minister is that already—and still—90% of passports are completed in six weeks and 98.5% are completed within 10 weeks. He also knows, as I know as a constituency MP, that if there are special reasons why a passport needs to be expedited, that can happen; it has happened in my case, and it happened to many colleagues in the House who emailed me while I was PPS and we got their cases sorted. He is simply not giving credit where credit is due.

Plenty of Labour MPs have made criticisms this afternoon, saying that they have lots of cases that have not been completed within the guidelines. The shadow Minister outlined his view that we are in backlog Britain and that the Home Office is the most bureaucratic Department. That is a very good soundbite, but it is not accurate. Opposition Members should be looking into backlog Labour. [*Interruption.*] Would the shadow Minister like to listen? He made an accusation about backlog Britain. I say “backlog Labour”.

We have heard from Opposition Members about passports not being completed on time, and the shadow Minister has outlined how many Opposition Members have contacted him about how long they have been waiting, but I can tell the House that when I was PPS at the Department I did not get a single email from him. I have looked through my records, and he did not email me once; he has not spoken to the Minister either. Opposition Members should all be angry at the shadow

Minister for being the backlog and the bureaucratic bottleneck in the Department. He has not once spoken to the Minister to get his constituents sorted out, and he never emailed me.

We will take no lectures from Opposition Members. The Minister is one of the most decent Ministers in the Government and will talk to any hon. Member on either side of the House, so I will give Opposition Members some advice: perhaps they should email the Minister and leave the shadow Minister out of it, because clearly he cannot deliver either for his constituents or for theirs.

The motion requests a censure of the Minister's handling of the passport backlog, but we should look at the facts and give him credit for his work. The action has been clear, although we did not hear about it from the shadow Minister. Passport Office staffing has increased: there are 500 more members of staff since April of last year, and another 700 are being hired, as the Minister outlined. We now have over 4,000 staff working in Her Majesty's Passport Office to clear the backlog; I would call that action. More delivery companies are now working on behalf of the Home Office to deliver passports where possible; I would call that action. Telephone lines now have 500 more staff; I would call that action. [*Interruption.*] I hear “Give him a job!” from a sedentary position. I had one, but I gave it up, so I do not need another. I am here working on behalf of my constituents. I do not need a job to speak the facts. In what we have heard from the Opposition, there has been a consistent absence of facts, so I am very happy to correct the record today.

There have never been so many channels open to Members of Parliament to address the backlog. We have the Portcullis hub, which is for Ukrainian issues as well as passport issues. We have the telephone lines, which have had added investment. We have the Minister and three excellent PPSs—they have a very tough act to follow, but I think they are excellent. The Home Office has consistently had the most open channels for sorting out the issues.

Margaret Greenwood (Wirral West) (Lab): The provision that the hon. Gentleman has just listed is testament to the Government's failure to sort out the issue. As I am sure every Member in this Chamber does, I have constituents who have missed out on holidays, weddings overseas and so forth because of the Government's failure to run a decent Passport Office. Does the hon. Gentleman agree that the Government's obsession with the small state and their threat of 91,000 job losses in the civil service do not really inspire confidence that they are capable of running public services?

Paul Holmes: I say politely to the hon. Lady that, whatever her briefing document tells her to say about the Government being obsessed with reducing the state, what the Minister and I have just outlined is that instead of reducing the size of the state, we have put unprecedented staffing into Her Majesty's Passport Office. Her argument does not stack up.

Margaret Greenwood: I am curious about the hon. Member's response. The Government have announced that they intend to cut 91,000 civil service posts and have made the explicit comment that they intend to cut

the size of the state. That is this Government's agenda. I do not quite understand why the hon. Member is unaware of that fact.

Paul Holmes: I am perfectly aware of the facts. Nowhere does it say that we want to reduce the civil service payroll in Her Majesty's Passport Office. All the hon. Lady has to look at is the fact that we have put more staff into that office, with more staff on the telephone lines and more staff in HMPO at the level of processing passports. The hon. Lady's argument and her accusation towards me and the Government are not substantiated and have no basis in fact whatever.

A record number of passports have been allocated and processed under this Government in the past year. I have just spoken about the actions that we have taken; now let us see the results. In March 2022, 1 million passports were issued, which is 13% more than in any month last year. Usually, 7 million passports are issued in a whole year. We are on track to more than match that figure: more passports have already been processed this year than in the whole of last year. That is because of the action that the Minister and this Government have taken.

Rather than censuring the Minister, the Opposition need to understand the context and the reason for the backlog: the covid-19 pandemic. They somehow live in a utopian world. Instead of acknowledging that all parts of local and national Government and business struggled in the pandemic, they say that it should not have had an effect. They offer no alternative either.

Yet again, the shadow Minister has carped instead of taking a constructive view of how we can help the backlog to clear even faster. He spoke for more than 15 minutes, but not once did he come up with a solution or an alternative from the Labour party. If he really believes that he can show the people of this country he has a better solution that could help us to clear the backlog, he should stand at the Dispatch Box and say so. Once again, he has not done so.

Tahir Ali (Birmingham, Hall Green) (Lab): In all his contributions, the Minister has not once admitted what the backlog is. Maybe the hon. Gentleman can get an answer from his own Minister: does he know what the backlog of outstanding cases is and how much it will take to reduce them?

Paul Holmes: I am absolutely confident that as we speak, with all the action that the Minister has taken, the backlog is rapidly reducing. Because I am now a Back Bencher, I do not have access to all the information, but I am very clear that the backlog is coming down because of the action that the Minister has outlined in this Chamber over the past year and a half, the unprecedented investment that he has put into staffing, and the speed at which he and, more importantly, the staff are sorting out the issues.

Because of the covid pandemic, there was a problem—we all accept that—but the Labour party should acknowledge that the Government are fixing it. We have heard about the tangible action that the Government have taken, but we have heard no suggestions from the Opposition. What the public see is a Government who have taken strong action with extra staffing, more money and passports being completed in 98.5% of cases, while Labour MPs would rather moan than take tangible

action to sort out the problem. We are the Government taking action; they are the Opposition carping from the sidelines yet again.

2.8 pm

Mary Kelly Foy (City of Durham) (Lab): In the city of Durham, Her Majesty's Passport Office sits on the banks of the Wear. Its glass frame houses civil servants doing their jobs under immense pressure as a result of this Government's failure to prepare for the increase in passport applications post covid. I would like to tell you what it looks like inside, Madam Deputy Speaker, but HMPO has refused to allow me to visit to speak to workers in my constituency about their working conditions and the backlogs.

I will not stand by while a workforce in my constituency become increasingly demoralised by media and politicians pointing their fingers unfairly at the workers, so I put a call out on my social media channels, inviting Passport Office workers to email me concerns to raise anonymously. Their response made stark reading. There appear to be widespread mismanagement and structural issues slowing the attempts to clear the backlog, including delays in the full roll-out of the digital application programme system; incorrect advice being given by the helpline, which has been outsourced to Teleperformance; inefficiencies and errors from private contractors such as Sopra Steria; and the double handling of applications.

There has also been an influx of agency staff, resulting in the current staff being pulled from their roles to train these temporary workers. Staff morale is understandably at an all-time low. Covid outbreaks have led to staff shortages, yet staff are under pressure to return to office working, including through alleged bullying tactics from senior officials and poor communication from management. Disturbingly, staff have told me that they are too afraid to speak out about their working conditions for fear of disciplinary action. Staff are subject to verbal abuse from the public, and have shockingly witnessed an attempt to self-harm by an applicant desperate to receive their passport. Tragically, one member of staff's mental wellbeing was impacted so severely that they told me they had contemplated suicide. After reading those emails, I am starting to think I know why HMPO did not want me to visit. The hon. Member for Eastleigh (Paul Holmes) asked for facts. These are the hard, cold facts from brave whistleblowers inside HMPO.

The simple fact is that this Government have turned our country into backlog Britain, with waiting lists increasing, holidays disrupted and public anger growing. I fear that if the Government keep opening help desks in Portcullis House to deal with the backlog, they will soon have Home Office staff working from behind the Dispatch Box. Sadly, there does not appear to be any urgency from the Government to fix these problems. Despite PCS being promised that 1,700 new staff would be recruited to deal with the predicted increase in passport applications, only around 600 have been recruited so far, most of whom are agency staff.

The Government need to get a grip and come up with proper solutions. Passport offices across the country need to be turned back into positive working environments where staff feel appreciated and can excel in their role. There needs to be a reduction in the use of agency staff and a commitment to work with PCS on workforce planning to properly staff HMPO to cope with the

[Mary Kelly Foy]

applications without the need for regular overtime. The Government must also work to improve remuneration levels across HMPO and provide a clear timeline for the full implementation of the digital application programme system.

I am confident that once the toxic working cultures that have emerged are resolved, pressures will ease and we will once again have a service to be proud of. Until then, backlogs will continue to define this Government's time in office. They sleepwalk from crisis to crisis and ordinary people are left to pick up the pieces. My constituents who work for the Passport Office deserve better, and so does everyone in Durham who anxiously awaits their passport. It is time this Government put an end to backlog Britain and treated staff with the respect they deserve.

2.13 pm

Nick Smith (Blaenau Gwent) (Lab): The Government are letting down thousands of families across our country. The Passport Office is in chaos because record applications are not being processed in good time. The Home Office was warned about this last year but has failed to take sufficient action. Indeed, its own key indicators last autumn showed that a storm was brewing. I have been frustrated by Ministers ducking and diving and not admitting the scale of the problem. I have submitted a dozen parliamentary written questions about this, but I have had poor responses on the size of the backlog, on the metrics that are being used and on when the service will return to normal. The only figure available was a leak to the press suggesting a 500,000 backlog.

This problem is causing havoc to people's plans. My office is hearing from worried constituents every day. One case is a seven-year-old constituent who has a family holiday to Australia next week. Their application was submitted on 16 March. It took six weeks for the Passport Office to request information, which was sent back straight away, and tomorrow marks 13 weeks since they first applied. The family needs the passport in order to apply for a visa, so these delays are risking their family holiday.

This is being made worse by the clunky system that the Passport Office is still using. An upgrade was planned three years ago, but it still has not happened. A new digital system would reduce processing time and cost less, so this needs to be done urgently. In the Minister's closing remarks, can he please tell us when this will happen? Yes, more staff have been hired and more applications are being processed, but still the applications pour in and the delays continue. Families are having to resort to fast-track applications just to get their passports back in time, but at double the cost.

We must have a realistic action plan to get the service back to normal by the middle of July, ahead of the summer holidays. I think the Passport Office needs to tag-team with the National Audit Office to better understand the problem. It must improve its process management and we must have much, much better reporting to Parliament. We are all afraid that the problem will get even worse as the summer holidays approach. Ministers must grip this now, before family holiday plans are turned to sand.

Madam Deputy Speaker (Dame Rosie Winterton): I call Florence Eshalomi.

2.16 pm

Florence Eshalomi (Vauxhall) (Lab/Co-op): Thank you, Madam Deputy Speaker.

"I have now applied twice to renew his passport at £55 on both occasions plus new photos and am really at a loss. I have spoken to close to 30 different people at the Passport agency over the past six months, all of whom share my frustration and then do absolutely nothing about it."

Those are the words of my constituent, Tom, who is trying to renew the passport of his six-year-old son, Frederick. Tom originally applied for the passport in October last year, sending in the forms and the old passport, before the application lapsed due to an administrative error on his part. Tom then attempted to apply again on 17 January but was told he needed to send the old passport in again, despite its being in the possession of the renewals team. Tom does not have the old passport. Despite explaining the situation more than 15 times over the phone, by email and in letters, Tom's application was cancelled for a second time. Nearly six months later, guess what, Tom still does not have a passport for his son Frederick. My office has received conflicting advice from the Home Office about the status of this passport, and we have struggled to receive updates in a timely manner, regularly chasing the Home Office.

This is just one of a dozen cases brought to my attention by my Vauxhall constituents over the past few months regarding the unacceptable delays from the Passport Office. These delays mean that people are missing much-needed holidays after the covid pandemic. They mean that people are unable to see family members they have not seen for two and a half years. They mean that people are unable to attend life-changing events such as weddings or saying goodbye to their loved ones. These delays are unacceptable.

Tom's story, and the many other stories that we will hear this afternoon from right across this House, show clearly that the Home Office is in disarray. Things cannot and must not carry on like this. Sadly, this highlights yet another example of failure on this Home Secretary's watch, and it is leaving households right across the country suffering. People in Vauxhall and across the country deserve better, and the Minister must act urgently to sort out the delays and deliver a passport system that is fit for purpose. I highlighted to him in an intervention an email I had received while we were sitting in the Chamber, and I hope that he will help me to look into that if I email it to him later. When he responds to the debate, he needs to outline what tangible action he will be taking to address these delays before we see a massive increase in this backlog come the summer.

2.19 pm

Mike Amesbury (Weaver Vale) (Lab): It is an honour and a pleasure to follow my hon. Friend the Member for Vauxhall (Florence Eshalomi), who spoke very powerfully.

Like other hon. and right hon. Members in the Chamber this afternoon, I have been dealing with this surge in missing passports. Constituents are generally

only contacting me—I am speaking facts here—after waiting 10 or 12 weeks, or more. That is double what the Prime Minister referred to at that very Dispatch Box at the end of May when he said “four to six weeks”. The fact is that that is just not the case.

This week, I put one of many written questions on waiting times to Ministers, and yesterday I received only a holding response to one of my questions about the number of people waiting, in reference to what the Prime Minister said, six weeks or more. This was the second question answered, after my first one tabled last month, which asked how many people have been waiting longer than four, six, eight or 10 weeks. I have simply not been given a straight answer, and I fail to understand why the data requested was not provided at this time. What have Ministers got to hide? Where is the transparency? As hon. Members across the House have said, particularly Labour Members, what is the backlog? Give us an answer! It is very important to our constituents.

My office has been inundated with calls and emails since well before March. I have a young constituent who has missed a once-in-a-lifetime opportunity to represent his team abroad. Many have missed very important reunions after the covid pandemic, which indeed the Minister mentioned. Given that very covid pandemic—let us have some common sense here—we would have thought that resources would have been put in place to plan for what was coming down the line. These are basics—basics! Some constituents have travelled halfway across the country to pick up passports the day before flights. Indeed, the shadow Minister, my hon. Friend the Member for Aberavon (Stephen Kinnock), mentioned people travelling to Belfast from London. That is crazy—crazy!

Another contractor, contracted by the Passport Office obviously, is TNT. There have been many cases of it losing passports, and I ask the Minister: will this incompetency be rewarded with TNT losing that contract? To me, that would be a solution and common sense. The Home Office was warned about the surge in passport applications that would be seen after many people cancelled holidays, including my own family. Forward planning was needed, yet here we have Captain Chaos at the helm of this Government—the dead political man walking, who does not even have the backing of 148 of his own Members.

On the more serious and urgent cases that hon. Members have referred to, there are no means for MPs genuinely to escalate those. We are simply provided with an update and told that the case cannot be expedited any further. I have not had responses for the many cases I emailed about weeks and weeks ago, as again has been mentioned by Labour Members. Over the weekend, I received an email from one constituent who had tried to contact the Passport Office on 12 occasions through webchats, online forms, attempts to book appointments and phone calls. None of those methods resulted in updates or an escalation of their case, despite what has been said by some Conservative Members—and obviously at the moment the Minister is not listening to me or others at all.

The additional recruitment of staff—they are undoubtedly working their socks off—is still resulting in calls not being answered and certainly in our advocacy not being responded to. We are not making this up. This is not whingeing from the Opposition Benches; this is

reality. This was all predictable, as has been stated. In fact, the PCS has pointed out—the hard-working staff on the frontline—that the Government have only recruited about 60% of the staff needed, and many are agency staff who do not have sufficient training.

I look forward to the Minister informing me and, very importantly, other Members across the House how the Government are finally going to get a grip of this situation—this crisis—and deal with backlog Britain.

2.24 pm

Jessica Morden (Newport East) (Lab): I begin by paying tribute to all the staff at the passport office in Newport, which is located in the constituency of my hon. Friend the Member for Newport West (Ruth Jones). Many of my constituents work there, and I want to thank them for all their ongoing hard work in difficult circumstances—which, I would add, are no fault of their own. They are an extremely dedicated team, and I thank them for that dedication.

We will never forget in Newport how the Conservative coalition Government tried in 2010 to close our Newport passport office. They were forced to change their mind by a very strong local campaign by the PCS Union, working with the *South Wales Argus* and the MP—the late, great Paul Flynn. The consequences of that would have been disastrous, and the current state of affairs shows just how important it is that we maintain and expand the workforce there and in other centres across the UK. The staff at the Passport Office are not to blame for the current problems we are seeing, but this Government are, and they are letting them down too.

Like other hon. Members, I have been inundated with correspondence and with cases from constituents who are nervous and distressed while waiting to hear back on the status of their passport applications. In many cases, the 10-week application turnaround target for dealing with applications has been totally missed, and some constituents, particularly those who applied before April, were never informed about the 10-week target anyway.

The growing backlog has also led to errors. One constituent had their personal documents sent to someone in Northern Ireland with the same name, and were very fortunate that that person reached out to them online. Their supporting documentation was sent back to the Passport Office, but has still not been returned to my constituent several weeks later. Another constituent has been bounced between appointments in Newport, Glasgow and London. It is a shambles, and a costly one. He tells me that he is now over £350 out of pocket on travel and passport fees.

Other constituents feel the same: those who have spent five hours on the phone chasing up the status of their application; those who have been promised call backs that never happen; those who have taken time off work to try to resolve the logjam they find themselves in through no fault of their own; and those having to wait until as late as 48 hours before they travel to find out if their passport will arrive, and trying to console their children about whether their holiday is still happening.

Constituents are desperate. There are plenty more examples I could give, and that others will give throughout the debate. At its root, the problem seems to be a lack of staffing resources, the loss of experienced staff to help

[Jessica Morden]

upskill newcomers, systems struggling to process applications in the face of demand and a breakdown in communication between the in-house and outsourced elements of the Passport Office. Indeed, as has been referenced throughout this debate, the Home Office pays millions for failed outsourced contracts across the Passport Office, including courier services that lose hundreds of passports every year.

The mess was as preventable as it was predictable, and the buck stops with the Home Office, which was warned about increased demand for passports months ago, yet buried its head in the sand and allowed this huge backlog to grow. It is telling in this debate today that the Minister has repeatedly refused to answer the question of how big the backlog is. The PCS is quite right in highlighting the Home Secretary's failure to plan, recruit and resource operations sufficiently to meet the upsurge in demand.

What makes it worse is that the MP hotlines at UK Visas and Immigration cannot answer passport queries. Despite details being taken and passed on to the Passport Office for a response, to date my office has struggled to obtain any replies through this correspondence chain, and has done so only via the drop-in service in Portcullis House. While I appreciate the excellent work that the staff are doing there—and they are—it is clearly not a sustainable system. I am fortunate in that I have a member of staff in Westminster and my constituency is less than three hours away on the train, but for other MPs further away, accessing this hub every week is difficult, and it is not a sustainable outcome for us. It is a logistical nightmare. Why can we not have a dedicated MP hotline for the Passport Office? We used to have one that worked very well, but the Government took it away from us.

Passport Office workers and the many thousands of people across the country waiting for news of their passport have been let down by an incompetent Home Secretary. She and the Prime Minister seem intent on cutting and outsourcing staff, and the Prime Minister has even talked up privatisation. Does the performance of TNT, Sopra Steria and Teleperformance suggest this is a good idea or a good use of taxpayers' money? We think not. The Government seem more concerned with that than fixing problems in the here and now. As PCS has highlighted, a further loss of jobs at the Passport Office will only compound the present crisis. So, as many others have said, please get a grip.

2.30 pm

Imran Hussain (Bradford East) (Lab): I congratulate my hon. Friend the Member for Aberavon (Stephen Kinnock) on securing such an important debate and making such an excellent contribution. I join him and my hon. Friend the Member for City of Durham (Mary Kelly Foy), who sees this from a constituency angle, in paying tribute to the hard-working staff at our passport offices. None of the contributions from Opposition Members is designed in any way to attack the work of hard-working staff. This is about the direction of political leadership.

Like many Opposition Members, I am inundated with cases of constituents who have waited weeks and months for their passport and now face missing holidays,

funerals and weddings as a result of the Government's failings. Hundreds of thousands of pounds have been lost because of the Government's mistakes, and the human cost cannot be quantified in numbers.

As has rightly been said time and again, and like many of the crises on this Government's watch, the passport crisis was entirely foreseeable. I have heard Conservative Members make the case today that somehow, because of the covid pandemic, the crisis was not foreseeable. Anyone could have predicted that, following two years of lockdown in which foreign holidays were ill-advised if not banned outright, there would be a surge in passport applications. It was inevitable and clear for everyone to see, except for Ministers huddled around the Cabinet table who failed to prepare, to anticipate rising demand or to ensure sufficient staffing levels.

Once more, it is not this Government but ordinary people up and down the country who are going to suffer. The Government have not learned lessons and have not realised that moving nearly all their staff from one crisis to the next—the Afghan refugee crisis, the Ukrainian refugee crisis and, now, the Passport Office crisis—is simply not sustainable.

The Government are now pressing ahead with more staff cuts that will see 20% to 40% of Home Office staff cut by 2025. Those are not my figures—my hon. Friend the Member for Aberavon quoted them earlier, and Conservative Members disputed them—they are from the Government's own documents. The Minister says the Government do not intend to make those cuts in the Passport Office. Where is the guarantee? Frankly, this Government say one thing one day and change their mind a week later. How can we trust a word that is spoken here unless it is written on paper? At the moment, all that document says is that there will be cuts of between 20% and 40% in the Home Office.

Given what has happened in the Home Office over the last year alone, making cuts is absolutely mind-boggling. It seems that, after every crisis, Home Office Ministers suffer sudden collective amnesia: they are unable to remember what went wrong and incapable of putting it right as a result.

This point has perhaps not been made as much here today, but we must not kid ourselves that this is the only crisis the Home Office has overseen, because backlogs, delays and excuses are nothing new in the Home Office. We all know this as constituency MPs. This debate weaves together many of the backlogs right across the Home Office. As I said, the performance of political leadership lacks compassion, humanity and decency.

When I look at my constituency casework with regards to the Home Office, people are waiting not weeks or months, but years for a decision on their case as Home Office officials drag their feet, leaving my constituents in a state of uncertainty and near permanent limbo. How any Home Office Minister or official can justify or allow this near torturous experience is simply beyond me, yet it still continues.

I could outline case after case but, time not permitting, I will highlight just two or three. A constituent of mine has been waiting more than a decade for a decision. For the last year, he and I have been making requests so he can see his elderly mother, who is in the last stages of her life, yet he is unable to do so. I have a case where the father is here with his disabled children and the mother

has been separated from the children while she waits for her passport. The father has been left alone here looking after their disabled children. I have had cases where there have been refusals because of a 1p discrepancy between the wage slip and the actual salary paid. Again, the reality is that that points towards a lack of compassion, decency and humanity from the Home Office.

Then there are the extortionate fees that people are made to pay. At a time when working families are struggling to put bread and butter on their table during a cost of living crisis that is a direct result of this Government's incompetence, ideological austerity cuts over the last decade and mishandling, the Government want to charge working families tens of thousands of pounds for a simple application. That is the reality of where we are.

It could not be clearer that, under this Tory Government, the Home Office is lurching from crisis to crisis and leaving nothing but carnage for ordinary people in its wake. This is a Home Office that cannot get through a week without another scandal, another failing and another human rights disaster. Frankly, this Home Office is simply not fit for purpose.

2.38 pm

Kate Hollern (Blackburn) (Lab): The Prime Minister said last week that passports would be delivered within six weeks. When the Home Secretary heard Opposition Members say it is taking longer, she regularly mouthed, "Not true." Today the Under-Secretary of State for the Home Department, who is not in his place, could not or would not tell us the size of the backlog. If they cannot quantify the extent of the problem, they cannot be equipped to deal with it.

I will highlight a few examples from my constituency, although I could highlight dozens. I have families who are at risk of losing thousands of pounds due to cancelled holidays, and I have families who cannot visit loved ones or attend family reunions. Many of these events were planned months in advance, and a growing number of my constituents, despite what the Minister said, are having to wait much longer than 10 weeks. The Home Office has been chronically underperforming for years. Its private contractors are not fit to deliver for the British people, and this Government are incapable of planning ahead and making decisions quickly.

As Members have made very clear, the Home Office was warned about this, so why has the UK Passport Office reportedly failed to get the promised 1,700 new recruits to deal with the surge in applications? It has delivered just over a third of those jobs. It is consistently over-promising and under-delivering. The Prime Minister promised to privatise the Passport Office. Well, we see the crisis we are in. Teleperformance, which manages the hotline, has been described as having "unacceptable" performance by the Minister. But what is he doing about it? He is doing nothing. TNT, the private courier service, reportedly loses hundreds of passports every year, even in 2020, when the number of applications dropped. Why have this Government waited for things to come to crisis point? How have they let things get so bad? This is yet another failure. It has been crisis after crisis and our constituents are paying the price for it. One family in my constituency had to pay more than £1,000 to change the date of their holiday, after having to wait three times, on three separate occasions, to

confirm their daughter's identity. How ridiculous is that? Other families are looking at similar costs and many are riddled with anxiety, having to wait until the last possible minute to know whether they will be able to travel.

A family in my constituency cancelled a holiday to Florida because of covid and then rebooked for next week. They applied for their passports in March. The passports of the parents and two of the children have come back, but young Alfie's passport is yet to appear. They have made a number of calls to the hotline, which I am sure Members know staff spend hours a day on. The family have been told to contact the office again 48 hours before departure. How ridiculous is that? We have been chasing for seven weeks and it is ridiculous that we cannot get an answer on why that child's passport has not been produced.

There is a growing number of bizarre instances where constituents are having to wait unreasonable amounts of time to receive passports. Documents have been submitted. Supporting documents are not being returned. Families have been asked time and again for evidence, but the evidence has actually been received. One constituent abroad is unable to extend his stay because he does not have an extended passport. So he cannot leave because his passport is now out of date and he cannot get a new passport. It is a ridiculous situation.

The Minister said that, if MPs had cases they wanted him to look at, he would do so, but I can tell him that he will be tied up for months. It is ridiculous that people have to go through a Minister to get an answer to a problem. This is not a time for excuses. The Secretary of State needs to give our constituents answers—answers on why contractors are failing and why the systems put in place are not working. Interestingly, there are only three Conservative Members here. I suspect most Conservative Members are encountering similar problems but are too embarrassed to admit that the Government are failing. They are failing families and other people and it is an absolute disgrace.

We did get a letter from the Minister this morning, which was interesting because of the different scenarios. He is telling people to contact the hotline. The Government are not listening; the hotline is not working. People spend hours and are promised a call-back, but it does not happen. Another Member, who is no longer in his place, was talking about 10 weeks, but the bottom of the letter says, "The 10-week advice has now been withdrawn." What are people expected to do? The shadow Minister spoke about productivity. Businesses that supply holidays are relying on this being a smooth process, as are families who want to travel. My biggest concern is the constant denial from those on the Government Benches that there is even a problem, or they do not accept the extent of the problem.

2.45 pm

Janet Daby (Lewisham East) (Lab): I am convinced that every Member has received letters, emails and telephone calls from their constituents reaching out to them about these delays and their frustrations with the Passport Office. We are hearing constantly about situations people are experiencing and our constituents' frustrations. We were expecting a spike in passport applications post-covid. We knew that was going to come, as did the Government. Obviously, they had not fully prepared for

[Janet Daby]

it and the proof is in the pudding. They need to review that, but I suggest they do not do so now, because we need their focus on the Passport Office and getting this right for our constituents.

The Government are catching up, but they are doing so far too slowly. As we know, the Home Office is in crisis; the wildfire has gone out of control, and the Government really need to get a grip on this and gain control. Like many Members from across this Chamber, I do not hold the civil servants accountable for this in any way, shape or form; this is clearly about the Government, and they need to get ahead of the game. They need to work to ensure that these backlogs are brought under control.

As we heard from the Minister, we have no idea how many passport applications are being delayed and how vast the backlog is. We can only assume that it is vast and terrifying. I do not say that to alarm people in our country—our constituents. I do so to say to the Government, “You really need to address this, to make sure that this backlog is reduced.” We are hearing things about how it will be addressed, but we need to get a sense from the Government that they understand, that they apologise for the backlog and that they are seeking to reassure people that it will be addressed and that they will get on top of it.

People need to see their family members. The pandemic has lasted an extremely long time—more than two years—and people need to see their grandparents and parents, and visit their sons, daughters and friends. People need to travel for work and they need to go on holiday. There are so many reasons why people, including families, need their passports.

Many constituents have contacted me about this and I am going to share some of the examples of the situations they have been experiencing. One constituent has said that they have phoned several times and not been able to get an answer. They are frustrated by that and so have turned to my office, to me, to address this for them. My staff have told me that they have been on the line for 45 minutes trying to get through to the Home Office. They have even been on the phone for more than two hours and still not got through. The Government need to think, “Is this the best use of people’s time?” Is it the best use of our staff’s time if they are on hold, waiting to get through? Is it the best use of time, economically? Time is being wasted.

Constituents have told me that they have waited for an hour and a half and then someone has hung up on them. They have been distressed by this situation and have felt grossly let down. Last Friday, the Home Office phones were even down for a period, which is also unacceptable. Just yesterday, a constituent told me that they arrived at the Passport Office at 6 am, queued until 3 pm and when they were eventually seen by someone, they were told that their application was in Newcastle and that they needed to go there to advance it. That is simply outrageous. It is simply wrong. That is one of so many examples where our residents are feeling and being let down.

The Home Office has a pattern of failure, with inadequate systems for Afghan refugees, the inability to run the Windrush compensation scheme properly, and the shameful Rwanda offshoring policy, as well as the Department’s

staffing shortages. The Government need a new, coherent strategy to reform the running of the Home Office, because our constituents are losing out and this is unacceptable.

As my hon. Friend the Member for Aberavon (Stephen Kinnock) said in his opening speech, “A Government fail when they fail to plan”. This Government’s plans are failing.

2.50 pm

Tahir Ali (Birmingham, Hall Green) (Lab): I will start with the quote from our hon. Friend the shadow Minister that my hon. Friend the Member for Lewisham East (Janet Daby) closed with:

“A Government who fail to plan are a Government who plan to fail”.

The response of Ministers on the Treasury Bench was to laugh. Government Members might find it funny, but Opposition Members do not because of the hundreds or thousands of constituents who come through our doors week after week. The Under-Secretary of State for the Home Department, the hon. Member for Torbay (Kevin Foster), opening for the Government, said that the motion was tabled to have a pop at him. If we wanted to have a pop at someone, he would not be No. 1 on our list. The reason we tabled the motion is the suffering of the hundreds and thousands of our constituents who cannot get a passport.

As we have heard, the current situation in the Passport Office is causing serious problems for millions of people who are seeking to apply for or renew their passport. I have been inundated with complaints from my constituents in Hall Green, many of whom are not only experiencing delays, but being left in the dark about the status of their application. The delays are only the tip of the iceberg, though; constituents have come to me with a variety of worrying complaints about the Passport Office. I have constituents whose application has been withdrawn because the Passport Office says the documentation was not received on time, when in fact it was the Passport Office itself that misplaced the documentation. That has resulted in my constituents having to restart their application and pay the fees yet again. Even worse, applications have been withdrawn due to the time limit even when the Passport Office signed for the delivery of documents but failed to log them on to the system correctly. Documentation is simply being lost in the system, or in some cases even assigned to the wrong applicant.

When constituents rightly seek to lodge complaints about this malpractice, they are met with atrocious customer service. The complaints department is failing to log individual complaints on the system, with the result that people must constantly reiterate their case to the Passport Office; and when complaints are received, there is little or no follow-up on the part of the Passport Office.

My team of caseworkers spend hours of their time dealing with the Passport Office backlog—chasing applications and complaints on behalf of constituents whose travel plans now lie in tatters, due solely to the malpractice of this Government. I have listened to people in tears who can no longer travel to see loved ones who are sick, or to attend funerals of those they have lost. After years of travel restrictions rightly imposed due to

the pandemic, we are now experiencing restrictions due purely to the delays at the Passport Office—because of the incompetence of this Tory Government. After 12 years in government, they cannot say they could not see this coming.

Given the severity of the problems, it is evident that more staff are needed—even more than have already been recruited. It would be useful to know whether the Passport Office has succeeded in recruiting the extra staff pledged in April this year. But the problem goes deeper than staffing issues and demand. It seems that, much like the Government as a whole, the entire Passport Office is in a state of chaos and dysfunction, due in no small part to the rudderless and confused leadership of the Home Secretary. While millions of people wait eagerly for their passports to be renewed, she is spending her energy devising ever more absurd and inhumane methods of making the UK an unwelcoming place for those fleeing persecution around the world. If the Home Secretary spent less time trying to deport people to Rwanda and more time managing her office, we might see progress—but for the sake of my health, I will not hold my breath. It is time that the Home Secretary and this Government get a grip.

The problems with the Passport Office are but one example of the boundless issues to be found across the Home Office's remit. We see delays in visa applications, delays in the Homes for Ukraine scheme and delays for asylum seekers awaiting a decision on their case, with many waiting for more than a decade. To put it bluntly, the Home Office under its current leadership is not fit for purpose, and people will remember this when the general election rolls around.

Under this Government—12 years of Tory Government—passport waiting times are up; NHS waiting times, up; ambulance waiting times, up; GP waiting times, up; police response times, up; immigration biometrics waiting times, up; dentist waiting times, up; driving licence waiting times, up; cost of living, up. After 12 years of this Government, welcome to backlog Britain.

Several hon. Members *rose—*

Madam Deputy Speaker (Dame Rosie Winterton): Order. Before I call the next speaker, I offer colleagues a gentle reminder that it is important to speak to the motion before the House. Going much wider than that is not really appropriate. I call Alison Thewliss.

2.57 pm

Alison Thewliss (Glasgow Central) (SNP): Thank you, Madam Deputy Speaker.

This passport chaos is, to borrow the phrase used recently by one Minister, “absolutely godawful”. The scale of the delay really is quite worrying. Ministers may not know the extent of the problem, or perhaps they just want to keep it to themselves rather than admit to the scale of the crisis. I have a lot of sympathy for Passport Office staff, many of whom are based at Milton Street in my constituency. I know they are doing the best they can in the circumstances; it is Ministers and lack of investment in the service that are letting them down.

Nothing the Under-Secretary of State for the Home Department, the hon. Member for Torbay (Kevin Foster), said gives any comfort to the people who are queuing in

a panic outside the Passport Office in my constituency, or waiting by their letterbox day after day for passports that have yet to arrive. One constituent, Scott, experienced significant delays: he made his application on 25 January and his passport was finally delivered on 9 April—to the wrong address. He has yet to receive a response to his complaint about this. It is a serious data breach if passports are indeed being delivered to the wrong person, as other Members have highlighted.

These delays and lack of response are not uncommon. Even I, as a constituency MP, am still waiting for responses to cases that I or my office raised in April, so I do not have an awful lot of confidence in the system. As I mentioned in an intervention, my constituent, Henry, has some issues with TNT, which failed to deliver his passport on three occasions; it got sent back to Peterborough. As of Sunday, he was still waiting for his passport. It is hugely frustrating to know that he could have had his passport had TNT not messed up the delivery.

My constituent Jennifer contacted me on 28 May and said:

“I am writing to you as I have a real dilemma trying to get my daughter her first adult passport. I have been trying for days to get a fast-track appointment, but no chance. I have literally sat for days refreshing the website on the off chance that I will get an appointment, even setting my alarm for midnight to try—no chance. I have a flight to Poland on 4 July. My daughter is going to see her dad whom she has not seen in three years. This is devastating for her.”

I contacted Jennifer today and she emailed me to say that the passport application has been approved, but that there is still no sign of the actual passport. She says that she has called several times. She has been put on hold, been passed about and been cut off. It is an absolute shambles. I have yet to have a response to the complaints that my office has put in on this case and on many others. Those complaints are still coming in.

I spoke to taxi driver Martin on Monday morning on my way to the Chamber. He will lose thousands of pounds if the passport for his child does not arrive within the next week or so. I urge the Minister to consider the fact that Scottish schools break up for the summer holidays next week, so there is a real and pressing case to prioritise passport applications for people in Scotland and in other parts of the UK who may go off on holiday a little earlier. Many of those families have already rebooked because of covid. They have had lots of delays, and any further delay could mean families losing thousands and thousands of pounds.

My constituent, Lisa, has documented in great detail the lack of response that she has had from the Home Office and the stress that it has caused. Her son's first passport arrived on 10 June, but she had applied for passports for her whole family on 1 March. The other members of the family got their passports, but there was nothing for her son. The family could hardly go on holiday, leaving one member of the family behind. That is just not practical—I am sure that Ministers would not want them to so in any event.

It is incredibly distressing for families to go through this stress, not knowing whether a passport will arrive, not knowing whether they should cancel their holiday on the off chance that it does not arrive or whether they should wait in the hope that it arrives just in time. There is really no reassurance for the waiting families.

[Alison Thewliss]

My constituent Wafa was in touch with me. A glitch in the system at the Home Office meant that their application was not processed. My constituent, despite many attempts to get in touch to resolve this issue, has only just got an appointment with the Home Office to get their passport application under way. There is no recognition from the Passport Office that this delay was its fault. It was the fault not of my constituent but of a glitch in the system that my constituent attempted on many occasions to resolve. They do not yet know whether they will get their passport in time to travel. That is just not fair.

All of this backlog is not exclusive to the Passport Office part of the Home Office. I see significant delays in other areas of the Home Office, week in, week out. I have the case of a husband who is not able to be here for the birth of his first child, because his paperwork has been delayed by the Home Office. It is a relatively simple visa case, but my constituent may not be able to be present for the birth of their first child. If the Home Office does not get its finger out, the mother will give birth on her own without the support of her husband.

There is a lot of talk from the Government about the cost of the immigration system and the cost of keeping people in inexpensive hotels and temporary accommodation. That is entirely due to the Home Office's own incompetence and delays. The costs are significant and people are left waiting indefinitely with only an impersonal standard response from Ministers, if, indeed, they get a response at all.

What is the response to all of this? It is a yet more expensive plan—a white elephant—of sending people to Rwanda through state-sponsored deportations and state-sponsored trafficking.

This is nothing that my constituents in Scotland have voted for. When we have a passport system of our own—I hope that that day will come very soon—we will look at Westminster and say, “Good grief, we cannot do any worse than this mob.”

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. Just another reminder that we are talking about passports rather than slightly wider issues.

3.4 pm

Mohammad Yasin (Bedford) (Lab): Passport delays are causing immense stress to my constituents. This problem was predictable, but the Government completely failed to plan properly for the surge in applications when borders reopened. The Prime Minister will not admit that there is a problem and cannot even say how long it is taking for passports to be processed. It seems to be an unlucky dip of four, six or 10 weeks, but far too many of my constituents are waiting even longer than that.

A mother wrote to me a month ago to ask for my help on her son's passport after receiving no response from the Passport Office. After weeks of chasing the new passport, she was advised that HMPO had lost her documents and that they would need to apply and pay for a lost passport and start the process again. After more weeks of waiting, my constituent chased the Passport Office again only to discover that it had entered the

wrong details on the system. My constituent was exasperated when the call handler thought it was funny—the date of birth that they had entered would have made my constituent 600 years old. The HMPO advised that it would fast-track the application, but that did not happen.

My team had to travel to Parliament to raise a number of cases with action teams in Portcullis House, but the flaw in that system—other than the inconvenience and expense of my caseworkers having to travel to Parliament to escalate cases—is that the MP engagement team do not appear to have a full overview of all actions that have been taken on a case, including any notes added by the Portcullis House team. That means that caseworkers are unable to follow up on any action that the Portcullis House team has committed to without travelling to London again. I hope the Minister will look at fixing that. Despite the best efforts of my team, my constituent had to cancel the flights that she had booked to pick up a family member's ashes and was absolutely devastated to miss the memorial service. She finally received her son's passport on 7 June—nearly 13 weeks after the application. My constituents should not have to deal with the stress and incompetence of a service for which they pay the Government a lot of money.

Missing significant family occasions during the pandemic was tragic but understandable. It really is disgraceful that it is still happening because of a failed passport system. The Government are desperate to point the finger at civil servants. The Passport Office has not covered itself in glory, but there is much more going on here. The Government want us to believe that a hitherto hard-working group of individuals have suddenly and for no apparent reason decided to stop doing their jobs properly. Nothing seems to be working under this Government, whether it is getting a GP appointment, a visa, access to courts, a dental appointment, or a driving licence. Nothing is working properly. If the public are sick of the appalling delays and errors with HMPO, the Driver and Vehicle Licensing Agency is now just waiting for the Prime Minister to cut its staff by a reported 90,000.

The common denominator in all these failings is this Government's mismanagement, underachievement and incompetence. I have no confidence that any of this will be sorted out before the summer holiday rush starts. This is where the impact of this Government's policies will be revealed for all to see, as there will be chaotic delays, queues and frustrations at passport control and customs. The Government should sort it out now.

3.8 pm

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): I rise to support today's motion on the Order Paper. As we have heard, the delays at the Passport Office have caused huge anxiety and stress for many of my constituents and many others around the country. There is no doubt that the Home Office under this Government is, or at least it should be, in special measures. The shambolic way in which the Government have handled the situation is symbolic of their messy approach and sums up what my hon. Friend the shadow Minister rightly calls “backlog Britain”.

It is appalling that at a time when the cost of living crisis is hitting the country hard, Home Office incompetence is forcing British families to pay for fast-track passport

services or face losing hundreds of pounds due to cancelled holidays. The Home Office was warned that a surge in passport applications was likely as early as November last year, but it completely failed to do the forward planning needed to prevent the chaos that we have seen over the past few months. Now the Home Office is paying millions of pounds for failing outsourced contracts across the Passport Office, including a courier service that loses hundreds of passports every year. The Government also estimated that 1,700 staff would be needed, but is it not the case that only 1,000 new recruits have been confirmed?

The Home Office's incompetence is preventing families from going on long-awaited holidays and hard-earned breaks, preventing loved ones from being reunited, and preventing people from attending weddings and funerals. British families deserve so much better.

Matt Rodda (Reading East) (Lab): My hon. Friend is making an excellent speech. Over the past six weeks 26 families have contacted my office, in various states of stress and utter frustration with the Home Office. One family have been waiting 14 weeks for a passport for a family member to visit a terminally ill relative. To me, that sums up the problem. As my hon. Friend is explaining so perfectly, it is the result of a lack of planning and strategy at the Home Office. They really need to apply themselves.

Gerald Jones: I completely agree, and I will shortly illustrate my hon. Friend's point with cases from my own constituency.

As we know, the target for passport processing has been increased to 10 weeks, up from three weeks pre-pandemic. However, even this increased target has repeatedly been missed. In the first three months of this year alone, over 35,000 people had to wait longer than 10 weeks for their passport to be issued, despite the Prime Minister's claim that everybody is getting their passport within six weeks.

The number of monthly fast-track applications has more than doubled since December 2021. In April 2022, British families spent at least £5.4 million on fast-track services. The Passport Office's own forecasts show that it expects to receive over 240,000 fast-track applications between May and October this year, amounting to up to £34 million. Is this a cash cow for the Home Office?

My constituency team are currently dealing with around 70 cases, and the chaos is causing them undue anxiety. Many applications are outstanding for more than the 10-week period. My constituents are unable to speak to a decision maker, and when they contact the helpline the information is often wrong or out of date. There is a general lack of communication regarding applications, and often the online tracker is not updated. Hard copies of documents routinely go missing from passport offices and constituents are asked to send documents to various passport centres. Applications have been cancelled, supposedly for lack of documents, despite evidence that documents have been lost at passport offices.

There are reports that applicants are being asked to pay for an upgrade, despite now being eligible for one after their application has been logged for six weeks. MP account managers are unable to make decisions on cases; they can only view information on a screen. Requests for call-backs from decision makers are hardly

ever followed up. Constituents have been told to collect their passport at offices many hundreds of miles away from south Wales—I know of similar situations elsewhere across the country. Passports could be printed at any passport office, regardless of where the application was initially dealt with, so that needs to be followed up by Ministers.

All of this is having an impact on constituents and creating huge anxiety and stress. I will give a few local examples. A family were forced to cancel their holiday to Disneyland Paris, losing several hundred pounds and devastating their seven-year-old daughter. It is not just holidays that are affected, important as they are for wellbeing after the difficult past two years. Another constituent is travelling for work at the end of the month but also requires a passport as proof of identity. They do not hold any other photo ID and need the document in order to pay a tax bill to Her Majesty's Revenue and Customs. Every day's delay adds interest to their bill.

Another constituent wanted to update her passport after marriage. She posted her old passport and marriage certificate to the Passport Office. The passport was scanned but the certificate was lost. She has proof of postage and receipt of delivery. The Passport Office has now cancelled her application but wants to charge her a further £75 application fee.

As part of one constituent's first passport application, a copy of her mother's birth certificate was requested. This was posted but not matched to her application in time, so the application was cancelled. My constituent has been told to make a new application, with another fee. We have written to UKVI to complain and ask for the original application to be reinstated.

I know that these examples are repeated across the country, which is why the Government must accept full responsibility for this shambles and commit to come to the House as soon as possible to provide answers on what exactly they are going to do to end the misery that many of my constituents, and thousands more across the country, are experiencing. If they cannot sort it out, they should get out of the way and let a Labour Government work to sort out not just this mess, but the many others that they have created.

3.14 pm

Ruth Jones (Newport West) (Lab): I am grateful for the opportunity to speak in this debate, because Newport West is proudly home to one of the largest passport offices in the United Kingdom, with nearly 300 essential workers staffing the application process, many of whom are my constituents. They perform a vital public service. Many colleagues across the House have rightly pointed out that the backlog has caused immense distress and difficulty for their constituents. That has been described eloquently by many Opposition colleagues. Many of my constituents have also experienced these difficulties. It is worth noting where the root of the problem lies, and it is not with the workers of the Newport passport office, or indeed any of the passport offices up and down the country.

Tonia Antoniazzi (Gower) (Lab): My hon. Friend talks about the staff at Newport passport office. I would like to pay tribute not only to the many constituents who have patiently queued outside the passport office,

[Tonia Antoniazzi]

but to the staff, who have been very kind and co-operative. They deserve recognition for the hard work that they are having to do because of the Government's failures.

Ruth Jones: My hon. Friend makes an important point perfectly, and I will of course take that message back to the Newport passport office.

Interestingly, until now, like my hon. Friend the Member for City of Durham (Mary Kelly Foy), I have been unable to meet the staff of the Newport passport office, and I am still not sure why management are blocking that meeting.

It was clear from the moment the country began to reopen that passport applications would not only return to pre-pandemic levels but exceed them, as many people understandably had not renewed their passport while international travel was difficult or impossible—it did not take Mystic Meg to see that backlog coming down the tracks. The pandemic presented novel issues, but the problems it revealed were not new. The Government were given ample warning, and opportunities to recruit and train staff and improve systems. However, as during previous periods of application surges, such as 2014, the Government yet again dropped the ball.

Over the past six years, civil service staffing levels in HMPO have been consistently cut, including by over 5% in some years, so the staffing increase trumpeted by the Minister today does not cut it, because we are not yet back to 2016 levels. The Home Office was warned as early as November 2021 about the impact that a likely surge in passport applications would have. PCS—the union for Passport Office workers—stated that the Home Office's own original estimate for dealing with the backlog was that 1,700 additional staff would be required. Alas, we know that fewer than 1,000 staff have been brought in—with many of them not receiving adequate training to process passports in a timely manner—and at least a quarter of them are agency staff.

My inbox is full of emails from anxious constituents who followed the rules but still do not have their passports. There is a human cost to this for those people who desperately need their passports after two years of enduring immense hardship away from family members and friends abroad, or even just those seeking the brief respite of a long weekend in the sun. People right across the country have been failed yet again by this Government and their inability to plan properly. More than that, in my constituency office we have been dealing with cases where people have been unable to visit dying relatives, and where the backlog has meant people are unable to mourn with family abroad.

One case that came into my constituency office was that of Sandie. Sandie contacted us because her father had passed away overseas. My staff had to go back to the Passport Office twice to ensure that Sandie could get her passport in order to get over to Canada to sort out her father's funeral arrangements. In Sandie's own words, she "cannot imagine the stress that other people who have sick relatives overseas and who've been trying to get to see them have been going through".

Fortunately, we were able to intervene and get the Passport Office to expedite this case and others, as have many other Members across the House, but far too many people have not been so fortunate.

There is another human element to this backlog that we need to remember. The staff in passport offices across the country, including in Newport West, are bearing the brunt of this Government's incompetence. Hard-working staff who worked through the pandemic, many of them now on insecure, poorly paid contracts, face abuse in the media as a result of this Government's shirking their responsibilities and laying the blame at the door of the staff. Reports now state that as a result of dilapidated IT systems, rock-bottom wages and a lack of proper support from the Government, morale among the workforce is at an all-time low. We are told that in the Newport passport office there is a particularly high rate of staff attrition as a result of conditions that the Government have impressed on it.

I completely agree with the motion before the House today. I call on the Minister to apologise for his handling of the passport crisis and to work with all those in relevant areas and Departments to get things back on track, so that constituents in Newport West and across the UK can resume their travel plans and get on with their lives.

3.20 pm

Holly Lynch (Halifax) (Lab): Like every other MP who has spoken in the debate and, I suspect, every other MP across the Benches, I have an inbox and postbag full of Passport Office delays. We opened 30 cases last month, as the target for passport processing has slid to 10 weeks.

To share some further examples from my Halifax constituency, we have been working with a family who made an application on 17 March for the renewal of a child's passport for a holiday on 30 May. We chased multiple times and escalated the case as the holiday got closer. The passport was finally processed and arrived the day before their holiday. However, the Passport Office made a spelling mistake in the child's name, despite its having been spelled correctly by his parents on all the forms. It took that family more than 10 weeks to get the passport, and when it arrived it was wrong. They had no choice but to cancel their family holiday.

Another family applied for the passports of both their son and daughter to be renewed at the same time, with exactly the same information provided for both, other than their names, dates of birth and genders. Remarkably, the son's application was processed immediately and arrived two weeks later. The daughter's, however, is still ongoing, with the Passport Office continuing to raise new issues with it. First it queried the mother's parental responsibility; then it said the referee who had countersigned the passport was not eligible to do so. Those may well be legitimate queries, but the information being questioned was exactly the same information provided for her brother's passport, which was processed in two weeks. We are in a position where the process cannot be right, which prompts the question: why the inconsistency? Where is the oversight?

A third family applied for their daughter's passport six weeks before she turned 16. They sought advice, given that if someone is within three weeks of turning 16 they are advised to apply for an adult passport. However, the Passport Office advised them to still apply for a child's passport. Unsurprisingly, they have now been told she needs to apply for an adult passport and the family need to start the application process again, with their family holiday now imminent and hanging in the balance.

We have heard too many such cases in the Chamber today. My hon. Friend the Member for City of Durham (Mary Kelly Foy) spoke of exhausted staff of Her Majesty's Passport Office having to witness threats of self-harm from a member of the public who was desperate for a passport. I thank her for her dedication and for being such a powerful advocate for those staff today.

My hon. Friend the Member for Blaenau Gwent (Nick Smith) told heartbreaking stories of lost holidays that his constituents had shared with him. My hon. Friend the Member for Vauxhall (Florence Eshalomi) told the story of her constituent Tom, who has endured various problems, setbacks and issues in applying for a passport for his six-year-old son. My hon. Friend the Member for Weaver Vale (Mike Amesbury) highlighted the challenges in just getting access to the data that we would all so like to see, including the answer to the big question—the size of the backlog.

My hon. Friend the Member for Newport East (Jessica Morden), who is a brilliant champion of her constituents, spoke of the local campaign she was involved with to retain her local passport office, working alongside the PCS union. She also spoke powerfully, as others have done, of the impact on children in particular of not knowing whether their family holidays will go ahead as planned, or will ultimately have to be cancelled at very short notice.

I pay tribute to my hon. Friend and neighbour the Member for Bradford East (Imran Hussain), who spoke of this not being the only crisis in the Home Office. I am afraid the crisis in political leadership and its lack of compassion is making for an agonising time for anyone who needs Home Office services. My hon. Friend the Member for Blackburn (Kate Hollern) spoke of a family who had to pay £1,000 to change the date of their holiday.

My hon. Friend the Member for Lewisham East (Janet Daby) reminded us that there are so many different reasons why people need to travel, and told some particularly heartbreaking stories. My hon. Friend the Member for Birmingham, Hall Green (Tahir Ali) spoke of his constituents who had been unable to attend the funerals of loved ones—an utterly heartbreaking position to be in.

My hon. Friend the Member for Bedford (Mohammad Yasin) again spoke of people's missing family funerals and significant family events, not for public health reasons, but for admin reasons, which has had a devastating impact on his constituents. My hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones) spoke of the Prime Minister's claim that everybody is getting their passports within six weeks—an utter nonsense, when we have all shared constituency stories from our caseloads. Last but by no means least, my hon. Friend the Member for Newport West (Ruth Jones) spoke about the predictability of the surge in demand and asked why we were not prepared for it.

Alex Sobel (Leeds North West) (Lab/Co-op): My hon. Friend is telling the stories of so many of our hon. Friends. I could not be here earlier in the debate, but I want to share a story from my constituency. Many of my constituents are frequent business travellers or academics. They cannot release their passport for 10 weeks. Many of them have been trying to get a one-week

appointment online so that they can go in person and sort it out, but those appointments are not available online; nobody can get them, even though they cost double what a normal passport does. Is that not also a massive issue for frequent travellers?

Holly Lynch: My hon. Friend makes an important point, speaking to the variety of reasons why people have to unlock this backlog, whether for work or personal reasons. There are economic reasons why we must get productivity up and have people able to travel again, alongside the family connections that we need to see re-established and people's ability to undertake holidays once again.

As the Minister for migration is back in his place, I must say that I am grateful for the occasions when I have been able to reach out to him and he has intervened on cases where I have made an appeal directly to him. However, I am privileged in that I have his mobile number; what we are trying to get to is a position where—*[Interruption.]* For purely professional reasons, for anyone who made an odd noise there. We are trying to get to a process whereby a constituent out there would not need to have access to the Minister's mobile number in order to have their case resolved by this Home Office.

At a time when the cost of living crisis is hitting the country hard and after two years of family holidays having to be postponed and rearranged, Home Office incompetence is landing British families with yet more unnecessary costs as they pick up the tab for the failures and pay for fast-track passport services, or face losing hundreds of pounds in cancelled holidays. The number of monthly fast-track applications has more than doubled since December 2021, as other colleagues have said. In April this year alone, British families spent at least £5.4 million on fast-track services.

The Passport Office's own forecasts show that it expects to receive more than 240,000 fast-track applications between May and October this year, at a cost of an incredible £34 million. The cost of passport failure is being passed on to families stuck between a rock and a hard place, at the worst possible time. Even the fast-track service, as we have just heard, is not always a guarantee, with the website often saying that there is no availability of appointments due to high demand. My constituents report that they are calling day after day with no success. One constituent emailed:

"Another stressful day has passed of getting no answers from the passport office. It's nothing but incorrect information and false hope. I've arranged 3 call backs, one of them being from the upgrade team and not one of them have got back to me. I'm due to travel next Friday, and I have no hope whatsoever."

The trade union PCS says that the Home Office originally estimated that 1,700 new staff members would be needed to deal with the backlog, but as far as we are aware—and we have had confirmation of this—only about 500 have actually been recruited. I would be grateful if the Minister confirmed the timeline for when those additional staff members will be joining their colleagues on the frontline.

In April, the Prime Minister reportedly said that he wanted to privatise the Passport Office, using more unparliamentary language than I have at the Dispatch

[Holly Lynch]

Box. However, the Minister has confirmed to the House that most of the services within the process have already been privatised, with in-house staff dealing only with decisions on applications themselves. I suspect that it will come as a surprise to precisely no one to hear that the Prime Minister is not across the detail on this, but what does he think is left to privatise, and how exactly, based on the performance of the existing contractors, does he think it will improve the service? Looking at the three private service providers involved in passports, freedom of information requests published by the *Mirror* last month revealed that TNT, as the courier service for the Passport Office, has lost hundreds of passports and documents in the past two years despite applications being lower due to the pandemic, with 519 lost items in 2020 and a staggering 1,196 in the first seven months of 2021. This £77 million three-year contract was awarded in July 2019 and is due to be reconsidered this summer, so how do the Government propose to transform the courier service?

Sopra Steria, which provides frontline and support services including scanning, uploading and storage of documents, has its own backlogs, with PCS estimating that by April 500,000 applications completed by customers were awaiting opening and scanning on to Sopra Steria's system. As we have heard, the performance of Teleperformance, which operates the helpline, has already been deemed unacceptable by Ministers. So how exactly does the Prime Minister think that to simply repeat the words "privatise it" is fixing a broken system that is already largely privatised?

Another constituent who got in touch shared their utter frustration:

"We got married on the 7th May after postponing 3 times. I applied for an urgent upgrade a week ago as I travel a week today and I've still not had a phone call back to make the payment and begin fast track. I have less than a week to get my passport to go on my honeymoon. I applied with plenty of time and also applied for the urgent upgrade."

Another said:

"This issue has caused me and my family a great deal of distress, expense and now we are potentially looking at having to cancel our holiday, losing a significant amount of money."

This Government are presiding over backlog Britain. If it is not passports, it is drivers' licences, NHS waiting times, court dates, charging decisions, asylum decisions, housing waiting lists and Ukraine visas—and the list goes on. People cannot be expected to find the additional cash needed to bypass Home Office failure. They deserve better. This Government must apologise and find a way of delivering better.

Madam Deputy Speaker (Dame Rosie Winterton): I need to emphasise once again how important it is for colleagues to come back for the wind-ups in order to be able to hear the responses from both the shadow Minister and the Minister to what they have said in their speeches.

3.52 pm

The Minister for Security and Borders (Damian Hinds): While 98.5% of UK passport applications are being processed within 10 weeks, it is clear that some of our constituents have not received the level of service that they rightly expect. I assure colleagues that the efforts to improve delivery of passport services continue. The further

550 staff still to be added going into the summer will further increase the capacity for processing applications and build on the record numbers being processed now. HM Passport Office's current projection suggests that by the end of this month more applications will have been processed in 2022 than throughout the whole of the previous year.

I am grateful to colleagues across the House for their contributions to this debate. We heard from the hon. Member for Gordon (Richard Thomson), my hon. Friend—and almost neighbour—the Member for Eastleigh (Paul Holmes), and the hon. Members for City of Durham (Mary Kelly Foy), for Blaenau Gwent (Nick Smith), for Weaver Vale (Mike Amesbury), for Bradford East (Imran Hussain), for Blackburn (Kate Hollern), for Lewisham East (Janet Daby), for Birmingham, Hall Green (Tahir Ali), for Glasgow Central (Alison Thewliss), for Bedford (Mohammad Yasin), for Merthyr Tydfil and Rhymney (Gerald Jones), and for Newport West (Ruth Jones). Many of them, including the hon. Member for Newport West, rightly paid tribute to staff working in HMPO offices. I echo what they said to hard-working staff working in difficult circumstances.

Many colleagues across the House rightly asked what we have done and what we are doing on resourcing to make sure that the operation is commensurate with the task at hand. I can tell them that 650 additional staff have been added since April 2021 and 550 more are being recruited. The hon. Member for City of Durham helpfully outlined the use of agency staff and overtime in order to increase the capacity. I think at one point she was suggesting that we should not be deploying extra agency staff and overtime, which would of course make matters worse. The telephone operator, Teleperformance, has also added hundreds of staff, and other suppliers have increased their capacity, too. We have opened an eighth service counter and run extensive proactive communications, including issuing 5 million reminder texts to people with passports expired or soon to expire.

A couple of colleagues asked whether staff working from home is causing delays, and it is not. Whether staff work from home or from the office does not impact on the capacity within the digital system, which is accessible from home. The hon. Member for Halifax (Holly Lynch) asked from the shadow Front Bench specifically about courier services. I can confirm that through constructive work with FedEx, which is the parent company of TNT, delivery delays have been resolved and TNT is currently delivering within the contractual service levels.

In anticipation of the surge in demand and to provide greater resilience to the delivery network, a percentage of domestically delivered passports are now also arriving via HMPO's partner for international deliveries, which she will know is DHL, with supporting documents being returned by Royal Mail. More than one Opposition MP asked about the TNT contract. It would not be appropriate for me to comment on such commercial matters from the Dispatch Box, but I will say that the relationship between the Passport Office and FedEx is constructive and the current performance is as required.

The hon. Member for Halifax also asked about Sopra Steria and the back-office processing. I confirm that it has doubled its workforce supporting Her Majesty's Passport Office since the start of 2022, alongside opening up a number of new processing centres. Its efforts have enabled the registration of applications and

supporting documents on our system and the return of supporting documents to keep pace with the unprecedented demand.

The question of privatisation or otherwise has been raised multiple times in the debate. Again, to be clear, elements of the process, such as the printing and the delivery of the passports, are already contracted to private suppliers. We are committed, naturally, to ensuring that public services are run as efficiently and effectively as possible, and that gives me an opportunity to pay tribute to our hard-working staff.

We are living through the aftermath of a pandemic that has been at once an unprecedented medical and healthcare shock, an unprecedented peacetime economic shock and an unprecedented travel and movement of people shock. It is one with multiple uncertainties, adverse turns and false dawns. It has disrupted supply chains, interrupted business continuity and thwarted projections at every turn throughout this country and throughout the world. It has specifically thrown the travel trade off course and everyone's planning of its usual pattern far off course.

In 2020, there were roughly 4 million passport applications in this country. In 2021, it was about 5 million. This year—2022—we project it will be 9.5 million. In the face of this enormous change, everyone's focus has been on trying to make sure that Britain—our constituents—can get back travelling, whether that is taking their hard-earned holidays or doing that business travel, which underpins our national prosperity, or those visits to be with loved ones, both in the happiest of times and in the saddest of times, when their personal in-person support is so important.

Amid the overwhelming volumes, it is true that sometimes things have not been fast enough and call waiting times have been too long, and I am sorry for that, but it is not for want of will, effort or commitment. I pay tribute to the dedicated staff of Her Majesty's Passport Office working under this pressure.

I also want to say a word about the Under-Secretary of State for the Home Department, my hon. Friend the Member for Torbay (Kevin Foster). I must say that I am rather disappointed by the wording of the motion. What is happening with passport applications is an entirely legitimate, worthwhile and relevant subject for debate, but it is quite wrong to channel that into a personal criticism of him. He is an extremely engaged and active Minister working with officials to deal with these unprecedented issues. I have heard many accounts, and we have heard more today, of his personal work to help to expedite some of the most difficult cases by doing casework out of hours and at weekends for hon. Members on both sides of the House.

Mary Kelly Foy: My constituent went to Durham passport office to collect his passport only to be told that there was an issue with the photo that had previously been approved. He has just been to deliver new photos, but staff told him that they have no record of his interview, despite the Home Office telling me two hours ago that it was on the system. He flies to America on Monday. What do I tell him?

Madam Deputy Speaker (Dame Eleanor Laing): Order. This is the Minister's winding-up speech; it is not the place for a new speech. I let the hon. Lady finish

because—[*Interruption.*] Do not argue with me. I let her finish because she was speaking on behalf of a constituent, and it matters, but that is not how we conduct debate.

Damian Hinds: I think the hon. Lady will appreciate that it is impossible—literally impossible—for me to comment on the details of that case and the particular issue with the photograph and so on from the Dispatch Box of the House of Commons, but if she speaks to our colleagues in the hub in Portcullis House, or with me or the Under-Secretary of State for the Home Department, my hon. Friend the Member for Torbay after the debate, we will be sure to pick it up.

The difficulties that we have heard about today absolutely must be taken with great seriousness, and that is happening. I assure hon. Members that we will continue to look at ways to further improve performance. I also remind them that 98.5% of UK applications across March, April and May were processed within the published processing time. Indeed, the overwhelming majority were processed more quickly than that, with more than 91% of those completed in May having been processed within six weeks.

I certainly do not seek to minimise the frustrations that have been raised by hon. Members on both sides of the House during the debate, but I assure the House that everybody at Her Majesty's Passport Office is completely focused on meeting the needs of customers ahead of their long-awaited and hard-earned summer holidays.

Question put.

The House divided: Ayes 198, Noes 295.

Division No. 13]

[3.42 pm]

AYES

Ali, Rushanara	Champion, Sarah
Ali, Tahir	Clark, Feryal
Allin-Khan, Dr Rosena	Cooper, Daisy
Amesbury, Mike	Cooper, rh Yvette
Anderson, Fleur	Cowan, Ronnie
Antoniazzi, Tonia	Coyle, Neil
Ashworth, rh Jonathan	Crawley, Angela
Beckett, rh Margaret	Creasy, Stella
Benn, rh Hilary	Cryer, John
Betts, Mr Clive	Cunningham, Alex
Black, Mhairi	Daby, Janet
Blackford, rh Ian	Davey, rh Ed
Blackman, Kirsty	David, Wayne
Blake, Olivia	Davies, Geraint
Blomfield, Paul	Davies-Jones, Alex
Bonnar, Steven	Day, Martyn
Bradshaw, rh Mr Ben	De Cordova, Marsha
Brennan, Kevin	Debbonaire, Thangam
Brock, Deidre	Dhesi, Mr Tanmanjeet Singh
Brown, Alan	Docherty-Hughes, Martin
Brown, Ms Lyn	Dodds, Anneliese
Brown, rh Mr Nicholas	Doughty, Stephen
Bryant, Chris	Dowd, Peter
Burgon, Richard	Duffield, Rosie
Byrne, Ian	Eagle, Maria
Byrne, rh Liam	Eastwood, Colum
Cadbury, Ruth	Efford, Clive
Cameron, Dr Lisa	Elliott, Julie
Campbell, rh Sir Alan	Elmore, Chris
Chamberlain, Wendy	Eshalomi, Florence
	Evans, Chris

Farry, Stephen
 Fellows, Marion
 Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Grant, Peter
 Green, Kate
 Greenwood, Margaret
 Griffith, Dame Nia
 Gwynne, Andrew
 Hanna, Claire
 Hanvey, Neale
 Hayes, Helen
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, 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*)
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Linden, David
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 Madders, Justin
 Mahmood, Mr Khalid
 Malhotra, Seema
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Stewart Malcolm
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McKinnell, Catherine
 Miliband, rh Edward
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica

Morgan, Helen
 Morris, Grahame
 Murray, Ian
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John
 Norris, Alex
 O'Hara, Brendan
 Onwurah, Chi
 Osamor, Kate
 Osborne, Kate
 Oswald, Kirsten
 Owen, Sarah
 Pennycook, Matthew
 Phillips, Jess
 Phillipson, Bridget
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Reed, Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Saville Roberts, rh Liz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Slaughter, Andy
 Smith, Alyn
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds,
 rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 West, Catherine
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Winter, Beth
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Mary Glindon and
Colleen Fletcher

NOES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Allan, Lucy
 Anderson, Lee
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Berry, rh Jake
 Bhatti, Saqib
 Blackman, Bob
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 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
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, David T. C.
 Davies, Gareth
 Davies, Dr James

Davis, rh Mr David
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Donelan, rh Michelle
 Dorries, rh Ms Nadine
 Double, Steve
 Dowden, rh Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Edwards, Ruth
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Fell, Simon
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, rh Lucy
 Freer, Mike
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Goodwill, rh Sir Robert
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Griffiths, Kate
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hands, rh Greg
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, rh Chris
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam

Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, Gillian
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, rh Kwasi
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Mackinlay, Craig

Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryl
 Murrison, rh Dr
 Andrew
 Neill, Sir Robert
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Paisley, Ian
 Patel, rh Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Philp, Chris

Pincher, rh Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Raab, rh Dominic
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr
 Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Russell, Dean
 Rutley, David
 Saxby, Selaine
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Sharma, rh Alok
 Shelbrooke, rh Alec
 Skidmore, rh Chris
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Sturdy, Julian

Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vara, Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittingdale, rh Mr
 John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Young, Jacob

Tellers for the Noes:
Amanda Solloway and
Gareth Johnson

Question accordingly negatived.

Channel 4 Privatisation

Madam Deputy Speaker (Dame Eleanor Laing): We will now proceed to the second Opposition day motion. I hope that Members who have just participated will have the courtesy to leave the Chamber.

3.58 pm

Lucy Powell (Manchester Central) (Lab/Co-op): I beg to move,

That this House supports the UK's much loved cultural institutions, which are celebrated around the world while creating jobs and growth across the country; in the Jubilee year supports world-renowned British broadcasting which brings the country together in celebration; believes that the Government should reverse its decision to sell Channel 4 as it will undermine the UK's world leading creative industries and the delicate ecosystem of companies that support them; and calls on the Government to ensure that, if the sale does go ahead, Channel 4's headquarters continue to be based in Leeds and its remit ensures that it continues as a public service publisher-broadcaster, commissions over 50 per cent of its content outside London, continues its significant investment in new independent British films and funds quality news content which is aired at prime time.

I refer Members to my entry in the Register of Members' Financial Interests, as I was a guest of Channel 4 at the recent BAFTA awards and at a recent rugby league match, where I also met the Secretary of State for Digital, Culture, Media and Sport.

We wanted to have this debate today because, despite the Government publishing a White Paper and declaring their intention to sell off Channel 4, there has been little parliamentary scrutiny, and what there has been has exposed quite widespread opposition. Being the generous person that I am, I thought I would give the Secretary of State the chance to lay out her compelling arguments and win over the House today. Perhaps things might go a little worse than that, but we will see.

In all seriousness, the arguments to sell off Channel 4 to what will likely be a large US media company are at best thin, while the case for nurturing and retaining all that is great about this unique British broadcaster is very strong. First, it is ironic that the self-declared party of Brexit is now uprooting, undermining and selling off great British institutions and assets at fast pace. Is that what putting British interests first is all about? Channel 4 is just one of many; the BBC and others will follow.

As the nation came together last week to celebrate the jubilee, we were again reminded of the important role our national broadcasters play in bringing the country together and projecting ourselves around the world. Making great TV and film is one of the things Britain is seen as a world leader in, one of our greatest exports and a reason why English continues to be a world language. From "East Is East" to "Everybody's Talking about Jamie" to "Trainspotting", British film is known and loved around the world. Selling off one of our broadcasting jewels in the crown in a jubilee year is not just the wrong thing to do as a patriot or for nostalgic reasons; it is also really bad for our world-renowned creative economy.

The foundations on which our global success is built come from our unique public and private, small and large landscape, which puts Britain at the top of the tree when it comes to TV and film.

Sir John Hayes (South Holland and The Deepings) (Con): I agree with the hon. Lady about Channel 4 and its role in film in particular, but surely she will acknowledge that we need a plural system, and that private investment and engagement is critical to that plurality. Furthermore, will she confirm that, should Channel 4 be sold off, she would renationalise it? Is that Labour's policy?

Lucy Powell: We have a very plural system. The argument that I am making is that private and public play different roles in that important ecosystem, but I hope that the House will today agree with my motion to stop the sell-off; I am sure it will.

Channel 4, like the BBC, is fundamental to the foundations of our global success in TV and film. We flog it off at our peril. Its broadcaster-publisher model has given rise to many of our most successful production companies. That was Margaret Thatcher's original idea. It was a good one—and I do not say that very often. Without its ability to take risks, attract different audiences, and invest in programmes and films that can seem like loss leaders, our creative economy would be all the more bland and mainstream.

Marsha De Cordova (Battersea) (Lab): My hon. Friend is making an excellent speech. Does she agree that Channel 4 reaches audiences that other outlets struggle to reach, and produces content that attracts a diverse audience, including the takeover day commemorating the anniversary of the killing of George Floyd and the excellent coverage of the Paralympics? Does she worry, as I do, that selling off Channel 4 would hinder that kind of programming?

Lucy Powell: I could not agree more. My hon. Friend makes some excellent points, some of which I will turn to later in my speech.

John Redwood (Wokingham) (Con): Does not the hon. Lady see the opportunity that could be provided by a new private owner or owners, who could contribute a lot of new ideas, innovation and extra money to transform the channel for the better? Why is she always so pessimistic about any new idea?

Lucy Powell: I do not know why the right hon. Gentleman thinks that large American media companies are more innovative than small, British-made institutions such as Channel 4, which has been innovating for the 30 or 40 years since Margaret Thatcher invented it. He might want to rethink his point. We are not known for the blander, more mainstream content that would come from the sell-off. That is not how our success has been built. Creativity means actually being creative.

Alex Sobel (Leeds North West) (Lab/Co-op): My hon. Friend is making an excellent speech. I have many constituents in Leeds who work at Channel 4, but even more who work for independent production companies. Kay Mellor, the founder of Rollem Productions, recently passed away. Great creative talents such as Kay Mellor would not have been able to come forward without support such as the £221 million that Channel 4 invested in independent production in 2021. We need more Kay Mellors and more Rollems, not fewer as a result of US imports.

Lucy Powell: My hon. Friend makes a really good point. I will come on to some examples in my speech.

Secondly, Channel 4 unashamedly supports British jobs and the British economy. The UK's creative industries are one of our biggest and fastest-growing sectors, contributing more to our GDP than aerospace, automotive, life sciences and energy put together. With the UK's creative industries growing at four times the rate of our economy as a whole, most other countries are looking to create home-grown companies of the kind that our Government are actively undermining. In an era of stagnant growth, when Britain needs to win the global race for jobs of the future, why are we looking to sell off a critical part of our creative ecosystem?

Channel 4's public service remit is integral to this success. It is a driver of levelling up in the creative industries, which have all too often been focused in London. With more than half its commissions outside London, and with headquarters in Leeds, Channel 4 supports thousands of jobs in Yorkshire and across the nations and regions. Film4 has built on Halifax's success to make it a world-leading hub in film.

Michael Fabricant (Lichfield) (Con): Does the hon. Lady not recall that Channel 4 was dragged kicking and screaming into moving its headquarters outside London? Has she not visited Leeds and has she visited London? Does she seriously think that Leeds can be called the headquarters of Channel 4 when most of the senior management are still firmly anchored in London?

Lucy Powell: So the hon. Gentleman now thinks that Channel 4 is not important to Leeds. Perhaps he might want to take up the issue with Leeds MPs and Leeds constituents, who take a very different view. They support what Channel 4 is doing in its levelling-up agenda, which is evident for all to see.

Channel 4 supports skills and widens access to the industry. At a time when employers are crying out for talent and people across the country are looking for jobs, Channel 4 is supporting thousands of young people and apprentices each year. The Secretary of State has said that her defining mission is

"ensuring that everybody from every background has access to the arts",

so why is she undermining an important access driver in this way? Thanks to its unique publisher-broadcaster model, Channel 4 invests half a billion pounds a year on average in the independent production sector. That has helped to grow and start many of our most successful production houses.

Alun Cairns (Vale of Glamorgan) (Con): The hon. Lady refers to spending on original content. In 2006, it was £516 million; by 2020, because of the fall in advertising income, it had fallen to £329 million. Does she accept that the current model of Channel 4 cannot survive and that it needs reform?

Lucy Powell: No, I do not. This year, it is the most profitable and successful that it has ever been, so I think the right hon. Gentleman's figures are wrong.

Hilary Benn (Leeds Central) (Lab): Not only do Labour Members oppose this proposal, but there is a great deal of concern about it among Conservative Members. It seems to have more to do with ideology than with practicality.

Leeds has been really proud to host Channel 4's presence in our city. We worked very hard to win the competition and bring it to Leeds. If the proposal goes ahead, will there be any guarantee whatever that the new owners, whoever they are, will keep a significant Channel 4 presence in Leeds? I fear that they will shut it down and go somewhere else.

Lucy Powell: My right hon. Friend is absolutely right. There is no guarantee whatever.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op) *rose*—

Lucy Powell: Cardiff is another hub for the media, so I give way to my hon. Friend.

Stephen Doughty: I totally agree with my hon. Friend's points. She is right that Cardiff is a huge hub for the creative industries; Channel 4, alongside many other media companies, has invested in our industry locally.

Does my hon. Friend agree that through its public sector remit, Channel 4 has been very successful in telling stories from across the United Kingdom about subjects that others have not been willing to address? As a vice-chair of the all-party parliamentary group on HIV and AIDS, I particularly commend its work on "It's a Sin", which told the story of the HIV/AIDS epidemic from a British perspective. It tells stories from all parts of the UK and from communities that have been under-represented.

Lucy Powell: My hon. Friend makes an incredibly powerful point that I fully support.

Film4 is also a global success story that costs the taxpayer nothing. It invests £25 million each year in British independent film. That is around one third of the total UK investment. By intervening particularly in the development stage, Channel 4 supports bold, risky films, and losing Film4 would be devastating for our leading edge in British film.

Perhaps this is why the industry and the public are so opposed to Channel 4's privatisation. According to the Government's own consultation, 96% of people are opposed to it. Even when the 38 Degrees responses are taken out, it is still only 5% of people who are in favour. Throughout all the stakeholder engagement I have done since starting this job, I have found exactly what the Government consultation has found, which is that not a single person across the sector thinks this is a good idea. I am sure we will hear from the Government today that all these good things can continue and that they are actually doing Channel 4 a favour by freeing it up, but I think the Government have made promises they cannot keep, whether on funding British-made content, investing in the regions and nations or continuing high-quality news and current affairs.

Whenever Ministers are challenged on how the benefits of Channel 4 will continue, all we hear is, "Don't worry, we'll put it in the remit." What we know from the White Paper so far, however, suggests that the Government will remove the publisher-broadcaster model and instead require Channel 4 simply to meet a 25% quota, which would be significantly lower than the 100% it does today. On levelling up, the Government are promising only 35% of production outside London and 9% outside England. This is a dramatic cut to the current levelling

[Lucy Powell]

up budget. As my right hon. Friend the Member for Leeds Central (Hilary Benn) has just said, the new remit will not include any commitment to keep the headquarters in Leeds or any obligations to training and skills.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Can I make a point from a West Yorkshire point of view? Is my hon. Friend aware that we in the north are proud that over in Manchester and Salford we have the BBC hub, and that over in Leeds we have Channel 4? They are the anchors and foundations of the creative sector, creative skills and a real culture that will be destroyed if a flagship organisation such as Channel 4 is lost.

Lucy Powell: Absolutely, because it's great up north, isn't it? It is not godforsaken. I think that was the word somebody else used.

Ben Bradley (Mansfield) (Con): Will the hon. Lady give way?

Lucy Powell: I am not going to give way any more. I think the hon. Gentleman is down to speak later anyway.

The Government seem to think that the year-on-year investment Channel 4 makes across the country can be replaced with one-off grants raised from the sale. It is surely the opposite of conservative ideology—whatever that means these days—to replace business investment with Government handouts. I just do not get it.

Ben Bradley: Will the hon. Lady give way?

Lucy Powell: Okay, if the hon. Gentleman wants to come in on that point. This is my final giving way.

Ben Bradley: The hon. Lady is very generous. I do not understand the pessimism. She and other Opposition Members have talked about all of this disappearing, but nobody has suggested it will disappear. She said herself that the sector is growing four times faster than the UK economy, but Channel 4 is not. The part of the sector that is growing is the privately owned part of the sector, where the investment is coming in. What evidence does she have that any of this would disappear?

Lucy Powell: As I am going on to say, many of these things will disappear. Channel 4 occupies a very important part in the ecosystem, and all parts of the ecosystem feed one another. The reason that some foreign investors come here is that we have Channel 4 and the BBC producing the talent pipeline and the kind of risky, edgy content that they themselves would never produce.

Despite Channel 4's crucial role in British film, which the White Paper recognises, the Government are making no commitment to ensure that a privatised Channel 4 would continue that investment, or even to the future of Film4 itself. The White Paper also says that Channel 4 is and will remain a public service broadcaster. However, that completely unravels when the Secretary of State told the Select Committee recently that this would expire after only 10 years. To a big foreign media buyer, this 10-year pledge is fairly trivial and worth weathering in order to get beyond it, when it would be a case of

anything goes. If the Secretary of State and her colleagues agree that at the very least all that makes Channel 4 great should be permanently enshrined in its new remit, they should support our motion.

As well the claim of pretending we can keep everything that is good about Channel 4, I want to address some of the other claims I have heard Ministers make. The Culture Secretary says she wants to set Channel 4 free so that it can raise investment, because it is not financially sustainable and is a burden to the taxpayer. However, Channel 4 does not cost the taxpayer a penny, yet retains the benefits of public ownership, such as British values, British jobs and British content for British audiences, especially young and diverse audiences. In fact, it is in rude health both creatively and financially, making a profit of £75 million last year, which has all been ploughed back into British content, skills and talent. Channel 4 does not need a taxpayer bail-out, it is not a broken financial model and it does not need privatising to continue to flourish.

Next, we hear that the sell-off of Channel 4 is necessary so that it can escape the straitjacket of being kept in public hands and can compete with Netflix. Channel 4 is free to make commercial and editorial decisions without Government or shareholder pressure. That means taking risks on shows such as "Gogglebox" and "It's A Sin", or initiatives that do not in themselves have a financial return, but have a significant public good, such as the Paralympics or Film4. Can the Secretary of State tell us what she wants to free Channel 4 from in order to be able to do what it cannot do already?

If the Secretary of State's Netflix comparison is about competing for subscribers, then she is wrong on that too.

Colum Eastwood (Foyle) (SDLP): Will the hon. Lady give way?

Lucy Powell: I will not give way; I am going to make some progress.

Unlike Netflix, which is seeing the number of its subscribers going down, All 4 is a highly successful free streaming service, generating 1.25 billion views in 2021, with eight out of 10 young people in the UK registered to it. Global streamers produce content to appeal to the widest possible global audience, but Channel 4 produces distinctive and diverse British content that reflects this country's social and cultural landscape. The Secretary of State's sell-off will mean less British-made content and representation. Finally, if she wants Channel 4 to be free to compete with the likes of Netflix, Amazon or Disney, why is she offering those companies a chance to buy it?

The Secretary of State also says that the age of linear television is dead and linear advertising is going down with it. However, advertisers are against her plans too, as they know it will mean less choice and less competition without the unique audience reach that Channel 4 currently offers. The big winners will yet again be the likes of YouTube that compete for young audiences and will gobble up the advertising opportunities that disappear from Channel 4.

There are basically two options for a buyer if the Government go ahead: either the channel will be bought by a UK broadcaster such as ITV—and the sale may

well not be allowed to go through on competition grounds, as it would lead to over-dominance on advertising, driving up prices up and lowering choice—or, which is more likely, Channel 4 will be bought by one of the big US media giants. In that event, rather than investing in British programmes for British audiences, Channel 4 would become a shop window for the buyer's existing content. This is a policy that sells off a great British asset to the benefit of the big US tech giants in more advertising revenue and to the big US media giants in economies of scale. That is a great policy, is it not? It is really patriotic; I am not sure why I didn't think of it myself.

Finally, the Secretary of State says there is no alternative, but she and I both know there is. Channel 4 has set out a proposal that maintains public ownership while delivering even greater public benefit and putting Channel 4 in a stronger financial position. However, she has ignored it, because she is hellbent on selling off the channel because she thinks it is a bit left-wing.

Robin Millar (Aberconwy) (Con): It's a lot!

Lucy Powell: Yes, well, it may be, but I do not think it is. *[Interruption.]* No, I think the hon. Gentleman has let the mask slip on his own side, because Conservative Members do think Channel 4 is a bit left-wing, which is why they are selling it off.

The truth is that the Secretary of State has misunderstood where Channel 4's true value comes from and the important distinctive role it plays in the wider economy. That is why Margaret Thatcher invented it, and that is why many Conservative MPs and peers oppose this. The Culture Secretary might not want to hear it, but this is what some Conservatives have to say about her proposal: the “opposite of levelling up,” “very unconservative” and

“an unnecessary and provocative attempt to address a political non-issue during a time of crisis, at significant cost to the independent UK film and TV industry.”

I would say they are as brassed off as the rest of us. *[Interruption.]* Some Members got that cultural reference.

We know the Culture Secretary does not like Channel 4, and she has said that it does not do itself any favours. Her sell-off has no support in the country, no support in the creative industries, no support from other broadcasters, no support from advertisers and very little support in Parliament. The big winners from her policy will be the big US tech and media companies; the losers will be British creative jobs outside London, British independent film, British independent production companies and Britain's creative economy.

This cultural vandalism does not get modern Britain and does not understand how best to grow the British economy. That is why I urge the House to support our motion today.

4.21 pm

The Secretary of State for Digital, Culture, Media and Sport (Ms Nadine Dorries): I start by paying tribute to all involved in putting on a wonderful platinum jubilee weekend over the bank holiday. My Department and the royal household spent years preparing for this fantastic event. It was a historic moment for Her Majesty, the country and the Commonwealth, and a celebration for all to remember. Once again, I pay tribute to the BBC and other broadcasters for their extended coverage, including the BBC's coverage of the amazing concert.

It has been a great few months for our culture and heritage. Just a few weeks ago I was in Coventry, where I was delighted to announce that it will be succeeded by Bradford as the UK's city of culture. The city of culture competition has been made a permanent fixture on the national calendar under this Government and, for the first time ever, we are awarding the runners-up £125,000 in funding. Local MPs will be involved in the decision making on how that money is spent.

The motion asks the House to support our much-loved cultural institutions. That support is in no doubt as far as the Government are concerned, as evidenced by the £2 billion committed to support our theatres, museums, cinemas, performance venues and other venues through one of the worst crises they have ever faced. I know how important this has been to those cultural institutions up and down the country, not least because they have told me. Theatres have said that without our support their doors would still be closed and their stages bare. Museums have said that without our support they would not have been able to protect their collections and put them back on display.

This Conservative Government have put our money where our mouth is by backing culture, and unashamedly so. There was no procrastination; we did it from the off.

Kerry McCarthy (Bristol East) (Lab): Will the Secretary of State tell us what Channel 4 said when she suggested to it that it will be privatised?

Ms Dorries: I do not disclose private conversations. I am not sure which aspect of any conversation the hon. Lady wants me to mention.

Straight from the off, we provided £2 billion to support our cultural organisations and institutions across the UK, which is why, after the pandemic, our arts and culture are back with a bang.

Labour's motion asks us to support our world-renowned British broadcasting, which is also not in doubt. Under this Conservative Government, the film and TV industry is absolutely booming: production studios are fully booked, British-made programmes are celebrated all over the world, and this Conservative Government have just delivered the first broadcasting White Paper in 20 years. It takes into account the huge transformation that the broadcasting world has undergone in the past decade or so, and seriously considers how we can protect our British broadcasters in the rapidly evolving streaming era. Unlike the Labour party, we have not buried our head in the sand. We have not ducked important choices and decisions. We are looking ahead and taking the necessary decisions that will allow broadcasters to flourish.

Jesse Norman (Hereford and South Herefordshire) (Con): On the consultation, my right hon. Friend is absolutely right to say that the Government should not be ducking difficult decisions. I would completely understand if they do not wish to publish the 38 Degrees consultation responses, but will she publish the industry organisation responses and the individual responses, because they will help to dispel a concern that the programme and the process has not been properly run?

Ms Dorries: We have published a comprehensive response to the consultation, in line with the format used by all Departments in response to consultations—that has already been done.

[Ms Dorries]

Our “Up next” White Paper contains a number of key proposals to achieve our goals. First, we want to ensure that in a world of smart TVs and online platforms our public service broadcasters continue to receive the exposure that they deserve. On a traditional TV, BBC, ITV, Channel 4 and Channel 5 are given prominence on every TV set in England and Northern Ireland. Likewise, in Wales, we will always find S4C on channel No. 4, and in northern and central Scotland we will always find STV on No. 3. We plan to update those rules for the digital age by passing legislation that ensures that PSB content is always carried and easy to find on all major platforms.

Colum Eastwood: The hit series “Derry Girls”, which is of course based in my constituency, has met with rave reviews all around the world, and has been instrumental in educating people on the Good Friday agreement and the principles that underpin it—a few people in the House of Commons could do with watching the last series. Does the Secretary of State agree with me, and with the creator and writer of “Derry Girls”, Lisa McGee, that it would have been impossible for her to get that programme made without Channel 4?

Ms Dorries: Let’s do a shout-out for Channel 4. “Derry Girls”, “First Dates”, “Gogglebox”—there are so many fantastic programmes that Channel 4 produces. That is not in doubt and not in question. I would, however, suggest that the hon. Gentleman reads the “Up next” broadcasting White Paper, because in it we state clearly that carrying and making that distinctive content is a part of what we want to carry forward with Channel 4—distinctive British content, which is what “Derry Girls” is and what much of what Channel 4 makes is. That is in the White Paper, and I suggest he reads it.

John Redwood: Many fine British businesses have grown, flourished and invested far more once being privatised, and I hope that this one will too. But will the Secretary of State see, during the privatisation, whether there is a way of allowing the people who work for Channel 4 and do so much for it to gain participation, perhaps partly by buying and partly by gift, so that they become shareholders in whatever entity emerges?

Ms Dorries: I will go on to talk about the fact that we have many bidders who are looking at purchasing Channel 4, and we are looking at all options before we bring the matter to Parliament to see what is on the table. But for the sale of Channel 4, as it says in the “Up next” White Paper, what we are looking at is to sell Channel 4 as a PSB. Therefore, I do not think the model that my right hon. Friend outlines briefly would be conducive to that sort of purchase. We are going to sell to an organisation that will invest in Channel 4 and keep it able to make those distinctive programmes.

Several hon. Members *rose*—

Ms Dorries: We are not getting into a discussion, and I am going to make some more progress. [Interruption.] I am happy to take interventions when I have made some progress.

Secondly, we are committed to ensuring that all broadcasters are operating on a fair playing field, whether they have been around for a century or only entered the scene in the last few years, so we propose a new video-on-demand code that will hold Disney+, Netflix and other streaming services to similar standards as traditional broadcasters such as the BBC and ITV. These are crucial protections for all our PSBs, and ones that the broadcasters themselves have welcomed. With these changes and others, the Government are giving British broadcasters the support they need to rule the airwaves in times to come. As I said, dealing with the question of Channel 4’s future is a major piece of broadcasting reform, but it is just one part of our wide-ranging reforms.

For the past year, I have been carefully considering the broadcaster’s long-term future, as many of my predecessors have done. Over the last four decades, it has been a Conservative Government who have taken the important decisions to nurture and protect Channel 4, allowing it to grow and to broadcast world-beating content. It was Conservative Margaret Thatcher who established Channel 4 in the early 1980s. It was a Conservative who gave it the remit to deliver original, disruptive programming and to focus on independent production at a time when it was most needed. It was a Conservative Government who strongly encouraged Channel 4 to broaden its horizons beyond London and oversaw the move to Leeds. Now, faced with the transformation of the broadcasting landscape, it is a Conservative Government who are preparing Channel 4 for the future.

Mr Sheerman: I have known the right hon. Lady a long time and I know she is passionate about skills. I am concerned because Channel 4 has been the bedrock of creative skills and innovation, going much wider than the people it actually employs. She knows about skills and she cares about them, so will she try to put my fears to rest?

Ms Dorries: In selling Channel 4 we are seeking to protect Channel 4 so that it continues to make distinctive British content and to function as a PSB, but when we sell it, the question will be: what do we do with the proceeds of the sale? Investing the proceeds in the skills of those who work in the broadcasting and film sector is part of the objective of the sale.

Like every other broadcaster, Channel 4 now faces huge competition for viewers, for programmes and for talent, and many of its competitors have incredibly deep pockets.

Ian Paisley (North Antrim) (DUP): The Secretary of State has outlined the legacy of what successive Conservative Governments have done to assist Channel 4. With that in mind, will she commit, under privatisation, to ringfencing and supporting the 81 essential jobs that Channel 4 has in Northern Ireland; to continuing, and growing, the £8 million contribution that Channel 4 makes to the gross value added of Northern Ireland; and to the production fund that has allowed the production of brilliant films and television series such as “Derry Girls” staying in place? Will that be protected, or will it all have to be negotiated again?

Ms Dorries: Levelling up is one of this Government’s primary objectives. We will be looking at bidders interested in purchasing Channel 4 to see whether they meet our

levelling-up objective, which is about moving some of our major organisations and creating jobs outside London. That will be a consideration.

Michael Fabricant: Further to the last question, it is not just Channel 4; for example, it was Netflix that made “Game of Thrones” in Belfast, throwing in millions of pounds—far more than Channel 4, although I do not underestimate Channel 4’s importance.

My questions are these. First, will my right hon. Friend set out in her speech that the contract for the sale of this public service broadcaster will set out certain minimum criteria—in other words, news content, regional content and British content? Secondly, is she aware that many production companies feel squeezed out by Channel 4—*[Interruption.]* Oh yes, they feel that at the moment there is a cosy arrangement with some production companies while others are ignored by Channel 4, and those smaller companies would actually welcome a change at the top.

Ms Dorries: As someone who has worked in the industry, my hon. Friend is deeply knowledgeable about how Channel 4 and the industry works. As I said in a previous answer, “Up Next”, the broadcasting White Paper, makes it very clear that that distinctive British content that makes Channel 4 so successful is part of the criteria.

The broadcasting White Paper is a fantastic piece of work, and I strongly recommend that everybody in the House reads it, as it makes it very clear what the Government’s objectives are for the broadcasting sector. Furthermore, we are taking the decision as a Government to look at broadcasting in the round—to look at the whole broadcasting landscape in the UK. I know that the conversation and the debate are focusing mainly on Channel 4, but we have to consider broadcasting in the round right now.

In addition, Channel 4 faces a series of unique challenges—challenges that other public service broadcasters with different ownership models do not face. Streamers such as Netflix spent £779 million on UK original content produced in 2020, more than twice as much as Channel 4. While other PSBs, such as the BBC and Channel 5, have the freedom to make and sell their own content, Channel 4 has no inhouse studio. Its ownership model restricts it from borrowing money or raising private sector capital. It is left almost entirely reliant on ad revenues. Those revenues were already shifting rapidly online, and the competition is only set to heat up now that Disney+ and Netflix have confirmed their plans to enter the advertising market. In addition to that, we have, later this year, new, huge streamers coming into our homes, which will also, quite probably, be operating on an advertising model.

Under its current form of ownership, Channel 4 has fewer options to invest, fewer options to innovate and, crucially, fewer tools with which to grow. There are serious challenges that require serious plans to overcome, not the kneejerk reaction or hyperbole of the Opposition.

Alun Cairns: Will the Secretary of State join me in calling on the Opposition to engage positively in this debate? We all respect the interest in the independent sector and we all want to see it grow, and it will have

that opportunity under the new model. Rejecting any form of change will simply undermine the industries that we are seeking to support.

Ms Dorries: I could not agree more. Labour may not like to hear it, its refusal to even engage with the profound changes in the broadcast landscape is further evidence that it does not have a serious plan for broadcasting. If it really wants to protect Channel 4 and to protect the wider broadcasting ecosystem, it is not enough to consider only Channel 4’s current success.

John Redwood: Has my right hon. Friend noticed that the Opposition think that they know better than the audience what Channel 4 should show every evening? Is it not a good idea that we move to a model where the owners engage with the audience and try to grow the audience, because that way they will attract more revenue?

Ms Dorries: We agree on many things, and we agree on that.

Michael Fabricant: On a point of order, Madam Deputy Speaker. I may have inadvertently misled the House. I said that it was Netflix that produced “Game of Thrones”, but it was not. It was HBO and Sky Atlantic that invested a quarter of a billion pounds in Northern Ireland, considerably more than any other broadcasting company.

Madam Deputy Speaker (Dame Eleanor Laing): I thank the hon. Gentleman, but that was more of an intervention; it was supposed to be a point of order. None the less, I am grateful to him for correcting the record so swiftly, so I thank him for his point.

Ian Paisley: Further to that point of order, Madam Deputy Speaker. As a matter of accuracy, would it not have been better if the hon. Member for Lichfield (Michael Fabricant) had confirmed that over £250 million is paid into film making in Northern Ireland annually without any of those companies?

Madam Deputy Speaker: I thank the hon. Gentleman for that point of order. I do not know whether that would have been better, because it is not a matter for me to comment on; it is an additional point of debate.

Ms Dorries: Our responsibility is to consider the long-term sustainability and future of Channel 4. As a responsible Government, we are prepared to acknowledge those challenges head-on, and to do what is needed to protect one of our most important public service broadcasters not just today, but in the years to come. We therefore believe that it is time to unleash Channel 4’s full potential—the hon. Member for Manchester Central (Lucy Powell) slightly misquoted me on that—and open up the broadcaster to private ownership while, crucially, protecting its public service broadcasting remit. That is a fundamental point: we are protecting its public service broadcasting remit. For those Opposition Members who are complaining and throwing up faux concerns, I repeat that we are protecting it as a PSB.

A sale will allow Channel 4 to grow and access greater investment, meaning that it can create more great programming, made by people who live and work in the UK, without losing what makes it distinctive.

[Ms Dorries]

Just look at another public service broadcaster, Channel 5. After its sale to Viacom, Channel 5's overall content budget grew by, on average, 7% a year. It is my genuine belief that this much-needed, long-term investment and the associated risk that comes with it—because investment does not come without risk—should come from private ownership, rather than being borne by the taxpayer.

Stephen Doughty: The Secretary of State keeps on speaking about the broadcasting ecosystem. Of course, crucial to that ecosystem are the independent production companies. Channel 4 has invested in a number of such companies in my area of Cardiff and south Wales, so it is absolutely crucial to our creative economy. Analysis by EY suggests that her model would result in a 40% reduction in investment in that crucial regional supply chain. Does she not accept the very real risks to those crucial independent production companies, which are part of our broadcasting and creative infrastructure?

Ms Dorries: The impression given is that Channel 4, as a result of being sold, will cease to exist. That is not the case. Those independent production companies are actually overloaded with work. We made more films in the UK in the last quarter of last year than were made in Hollywood. This whole sector of broadcasting and film making is booming. We are selling Channel 4 so that it can have more inward investment, not taxpayers' money, and so that it can make more content, not less. The work will continue for independent production companies, not least from many of the companies that are coming into the UK to make films and television content, just as in Northern Ireland.

Our vision for Channel 4 is one where it continues to do all the things it does best, while being freed from the shackles that currently restrict it. I repeat: all the things it does best. That means it will continue to make diverse, interesting and edgy content with independent production companies, just as it does now.

The Opposition motion talks about protecting Channel 4's PSB remit. Anyone who takes the time to look at our proposals will see that they pose no threat whatsoever to that PSB remit—Opposition Members talk as if there is. Under private ownership, Channel 4 will still be required to commission a minimum volume of programming from independent producers—I hope the hon. Member for Cardiff South and Penarth (Stephen Doughty) heard that—just as all other PSBs are required to do. Under private ownership, we will maintain Channel 4's existing obligations for regional production outside London and England, just as all other PSBs are required to do. Under private ownership, Channel 4 will still be required to provide original, innovative and educational programming that represents the breadth of society, as well as primetime news and current affairs—again, just as all other PSBs are required to do. Under private ownership—that is the rub here, is it not? The words “private ownership” are the nub of it. Under private ownership, we would also have the freedom to unlock Channel 4's full potential by removing the publisher-broadcaster restriction, which the Labour party seems to want to protect, but which is the very restriction preventing Channel 4 from achieving long-term financial security. What company pays 100% for content but does

not own the content? There is no other company that would regard that as a successful business model. The restriction effectively prohibits the broadcaster from producing and selling its content, denying it a crucial way to make money.

I cannot imagine another company—I look for anyone in this House to reassure me—that would be able to survive by paying 100% of the cost of the business while owning none of the product.

Damian Collins (Folkestone and Hythe) (Con): In Channel 4's own response to the Government's “Up Next” White Paper, it proposed raising £1 billion in private money through a joint venture partner, and that the joint venture partner would retain intellectual property and programming. The idea that the status quo is sustainable is not one that Channel 4 shares, and even it has called for a radical reset of its role.

Ms Dorries: It is exactly as my hon. Friend has outlined. The hon. Member for Manchester Central asked me what Channel 4 said, and one of its responses was that it wants to raise money. It wants to invest and raise money. The state—[*Interruption.*] Channel 4 is state-owned. The state cannot own a public service broadcaster that takes on the risk of borrowing money. If that goes wrong, it is the taxpayer who has to pay that debt. We as a Government cannot burden the taxpayer with risk, potential debt and responsibility.

Removing the restriction will allow Channel 4 to do exactly what my hon. Friend the Member for Folkestone and Hythe (Damian Collins) says: to raise that revenue stream and improve its long-term sustainability. We can do all those things with a sale, while protecting all that makes Channel 4 unique. We are not looking for any old buyer for this broadcaster. We are looking for the right one—one who shares our ambition for the business and our belief in what makes it special. It is precisely because of what Channel 4 does, and how it does it, be that distinctive programming, news content or film, that we are confident that we will find the right buyer.

Unsurprisingly, though it is early days, there has already been a lot of initial interest from a wide range of potential bidders. When a sale is secured, it will not just benefit Channel 4; we intend to use the proceeds to benefit the entire country. As I said, Channel 4 was originally established to help boost independent production, and it has been successful in that mission—so successful, in fact, that we face a new and very positive challenge. Production studios across the country are booming. They are so in demand that we need more and more people to work in them. We therefore intend to funnel some of the proceeds of the sale into addressing that new challenge and giving people up and down the UK the skills and opportunity to fill those jobs, delivering a creative dividend for all.

As I have to keep reminding those who choose to ignore it, the sale of Channel 4 is just one crucial part of a much larger piece of broadcasting reform, and the question of Channel 4's long-term sustainability is—[*Interruption.*] The accusation is being thrown at me from a sedentary position that I am going to get rid of the BBC. It is not good enough to invent accusations from the Front Bench. Commentary has to be based on what the Government are actually proposing and what is actually happening. [*Interruption.*] Okay, so we did

freeze the licence fee—yes. In this environment, that is a cost of living saving. There is absolutely no way, in today's environment, that we could go to the country and ask individuals to pay for an increase in the BBC's licence take. I am absolutely amazed that Opposition Front Benchers think that would be an acceptable thing to do, when hard-pressed families are struggling to pay their bills—[*Interruption.*]

Madam Deputy Speaker (Dame Eleanor Laing): Order. The shadow Secretary of State must stop shouting at the Secretary of State from a sedentary position. If she wants to make a point, she should get up and intervene. I cannot hear what the point is. I can hear the Secretary of State's answer, because presumably she can hear the hon. Lady, but nobody else can. That is why we debate properly in here by standing up and making a point, not shouting like football supporters—[*Interruption.*] I withdraw that. I am not criticising any group in society; I am just saying that it is unacceptable.

Lucy Powell: Perhaps the Secretary of State will give way on that point, then, Madam Deputy Speaker.

Ms Dorries: The question of Channel 4's long-term sustainability is hardly a new challenge. I am not the first Secretary of State to seriously consider whether private ownership is ultimately the best way to protect one of our best-loved broadcasters, but I am the only one who is prepared and willing to act and do what is right, not just for Channel 4 but for British broadcasting and ultimately the British taxpayer.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): It will be obvious that a great many people wish to take part in the debate with a limited amount of time left, so we will begin with a six-minute time limit on Back-Bench speeches, after the SNP spokesman, the hon. Member for Ochil and South Perthshire (John Nicolson).

4.52 pm

John Nicolson (Ochil and South Perthshire) (SNP): Thank you, Madam Deputy Speaker. I did not expect the Secretary of State to leave quite so quickly.

It is good to see so many unfamiliar faces on the Tory Back Benches—Members with a new-found interest in broadcasting—and also not just the current Conservative Select Committee Chair but two former Chairs. It is like being in one of those “Doctor Who” episodes with three Doctors all in one episode at the same time.

Here we are again. With a grim familiarity, we are once again debating the future of Channel 4 as Opposition Members try to defend one of the country's best-loved institutions from the culture warriors on the Conservative Front Bench. I do not believe that everybody in the DCMS Front-Bench team falls into that category: some are simply trying to keep their heads down until the chancer in No. 10 gets toppled, taking his fawning political acolytes with him. Channel 4 probably feels much the same.

Mr John Whittingdale (Maldon) (Con): Will the hon. Gentleman give way?

John Nicolson: Later—let me make some progress.

Until then, we have little choice but to combat the collection of semi-arguments, half-heard bar-room prejudices, factual errors and outright disinformation that forms the basis of the Government's case for privatising the channel. There is of course the never-ending irony that a Government pretending commitment to levelling up are making decisions that will jeopardise national and regional businesses in the production sector. Channel 4 spends more on nations and regions production than any other commercially funded broadcaster, and in 2021 dedicated 55% of its total content spend to content produced in the nations and regions. As we have heard, with a headquarters in Leeds and hubs in Glasgow, Bristol and Manchester, Channel 4 is a model levelling-up employer.

So why sell this model levelling-up employer? Is it in financial peril? We know that it is not. Channel 4 currently generates £1 billion of gross value added for the UK economy, working with around 300 production companies a year. To be clear, the UK Government want to sell a healthy, successful company that, because of the way it was established, cannot keep its profits. It must and does reinvest all revenue made back into the business—a dream for the consumer. If only the privatised utilities had been set up on that model, how much better off we would all be.

The Government's excuse to attack Channel 4, this jewel in the broadcasting crown, is that they want to raise money to reinvest in the independent production sector. That is precisely what Channel 4 does with its profits at the moment. It is entirely nonsensical. All that the Government wheeze will do is put investment and jobs in jeopardy. Do they care? Does the absent Secretary of State have some great insight into the sector that lesser mortals, including those who run the company and oppose her, do not?

We all know the Secretary of State's history of gaffes and confusions, but on Channel 4 she has surely surpassed herself. Millions of views of her faux pas on YouTube do not make her a broadcasting expert. The House will know that she did not know how Channel 4 was funded when she appeared before the Digital, Culture, Media and Sport Committee, on which I sit. She thought it was publicly funded, rather than funded by advertising. Her confusion was excruciatingly laid bare on camera when a Conservative member of the Committee, the right hon. Member for Ashford (Damian Green), had to explain Channel 4's funding model to her.

Paul Bristow (Peterborough) (Con) *indicated dissent.*

John Nicolson: The hon. Gentleman is shaking his head. Feel free to intervene, rather than groan in agony. Apparently he cannot marshal the words to match his facial expressions.

Millions of Channel 4 viewers will have noticed the adverts on Channel 4, but the Secretary of State apparently has not, yet she presumes to pontificate on Channel 4 while junior Ministers breathlessly wait. It is like watching an unbenevolent Mr Dick from Charles Dickens fly his kite. [*Interruption.*] It is a literary reference. People may laugh at the clips, but such wilful ignorance debases the policy-making process. When she is misunderstanding the most fundamental part of her brief, but still thinks it appropriate to patronise the Channel 4 management and staff, it is painful to witness. Nor was that a one-off;

[John Nicolson]

the Secretary of State thought that Channel 5, as has already been quoted, had been privatised. She told Iain Dale of LBC that it was, citing the privatisation of Channel 5 as a model for Channel 4 privatisation. She said that it was privatised

“three years ago, five years ago maybe”

when she did that particular interview. There was only one problem: Channel 5 was never privatised. It was another excruciating on-air exhibition of ignorance.

The Secretary of State may not know much about the sector, but does she at least have the public on her side as the Government lunge at Channel 4? Apparently not, although she does not seem to know it. Let us look at the consultation she set up to assess public opinion on the proposed privatisation. At a November DCMS Committee session, the Secretary of State said:

“what is the point of having a consultation that 60,000 people respond to if I had already made my mind up what I was going to do with Channel 4? That would be an abuse, I think, and a waste of money and effort on behalf of a large number of civil servants. I would really like to see what those 60,000 responses say first.”

The message was clear: she would listen to the public, those who watch and love the channel.

People did respond to the Government when asked for their view. As the Secretary of State said, 60,000 responded in an impressive display of public engagement. What did the figures show after they were analysed? Those figures, which the Secretary of State told us it would be an abuse to ignore, were interesting. Some 96% of the public were against Channel 4 privatisation, although in yet another moment of tragicomedy, the Secretary of State announced to the Select Committee at her latest appearance that 96% of the public were in favour of privatisation.

Alun Cairns: I am not sure whether the hon. Gentleman is advocating no change for Channel 4, but if he is, how will he accommodate the fall in advertising income and its impact on the spend in Scotland, Wales, Northern Ireland and the English regions?

John Nicolson: As other hon. Members have already explained, Channel 4 is making record profits. Since the system seems to be working so well, I do not see the point of breaking it.

Alun Cairns: It is spending less.

John Nicolson: It is making plenty of programmes. In fact, the Secretary of State already said that so many production companies are being successful that they cannot keep up with the current demands. Conservative Members need to marshal their arguments and work out which they are advocating.

Once again, so we are all clear: 96% of the public in the Government's own consultation process, which the Secretary of State said it would be an abuse to ignore, said that they opposed Channel 4 privatisation—so much for respecting the public will. It appears that the public matter as little as industry experts.

Let us turn to one of the main arguments put forward for the privatisation of Channel 4. The Secretary of State often says that she wants it to be able to compete with

“streaming giants such as Netflix and Amazon”.

She may have noticed that they do not have war correspondents, or at least that those who do appear are actors in movies, not journalists dealing with breaking news. The comparison is far from ideal, but let us briefly explore it anyway.

Amazon Prime is owned by a trillion-dollar company that uses its video streaming end as a loss leader. Unlike Channel 4, it does not make a profit, so it is far from a role model. What about Netflix, the other role model that the Secretary of State has in mind for a privatised Channel 4? That is not going so well either. It has racked up billions of dollars of debt and its share price has fallen by more than 70% in the last six months, which demonstrates the volatility of the market.

Unlike the Secretary of State's chosen examples, Channel 4 is a commercial success that runs a profit, not a loss. Its real competitors are the current UK public service broadcasters such as the BBC and ITV. We all know that the future is digital and here Channel 4 leads the UK. We all know that linear numbers are down, but it is in a strong position to benefit from that trend as it is the UK's biggest free streaming service, despite having a considerably smaller budget than the BBC. Also, of course, because it is publicly owned, it can reinvest extra revenue.

What if the nightmare happened and the Secretary of State got her way? Some on the Tory Benches—I suspect not those invited to participate in this debate—may be swithering and wondering what the future of Channel 4 will hold. They might consider that the Secretary of State, however dodgy her grasp of facts and of the issue, has promised that Channel 4 will remain a public service broadcaster. They might think, “We will have sold off another piece of the family silver, but at least we can all muddle through and things might not change that much.”

Well, not so fast: although the Secretary of State did promise that, whatever fate befalls Channel 4, it would always remain a public service broadcaster free at the point of use, that undertaking fell apart somewhat under cross-examination at the Select Committee. We discovered that Channel 4's buyer need only keep it as a public service broadcaster for 10 years. The Secretary of State has now made it clear that the Government will have no locus over the broadcaster once that period is over. When asked if the owners would have to consult the Department after 10 years, the Secretary of State said:

“No, it will be privately owned. It will be up to owners.”

So I say to Tory Back Benchers who are uncertain about what to do, if the new owners want to make Channel 4 a streaming service, they can. If they would like to ditch the award-winning “Channel 4 News” with its new chief anchor Krishnan Guru-Murthy, it is up to them. The Secretary of State may be too scared to go into the studio to face him about Channel 4 privatisation, but do those Tory Back Benchers not want him and the news channel to be around to tackle the next Labour Prime Minister? Short-termism may come back to bite them. Say goodbye to “Unreported World”, which sends intrepid correspondents off to tackle unreported stories in some of the world's most dangerous hotspots. They are astonishingly brave, but the show is expensive to make. Would a privatised company make it? No one at the channel thinks so.

The new owner could break up the company and sell it off. They could move it out of the UK. It is up to them entirely. The Secretary of State may argue that

that is unlikely or would not make commercial sense, but do you really trust her judgment? Do you think she understands the detail? Will she even be around once this Prime Minister is gone? Who knows—it doesn't really matter. What is important is that, once this 10-year period is over, the Government will have absolutely no power; it will be too late.

Reasoned argument has been tried and tested over Channel 4 privatisation. The arguments for privatisation never stack up. As a previous Secretary of State told me: "too expensive, too unpopular, and too little in return."

That Secretary of State had listened to the experts. This one does not seem to want to listen to the experts.

With an 80-plus seat majority, this ultimately, as we all know, will be up to Tory Back Benchers. Those of you not on the Government payroll do not much like your leader—we saw that and we saw how you voted. That we know and you often tell me you do not really believe in the culture wars—

Madam Deputy Speaker (Dame Eleanor Laing): Order. The hon. Gentleman is not really addressing the Chair when he says "You". He means "They," not "You."

John Nicolson: I beg your pardon. I try to avoid that, Madam Deputy Speaker.

Now is the chance for Conservative Back Benchers to join us on this side of the House in the mainstream. Please stand up for a national treasure.

Several hon. Members *rose*—

Madam Deputy Speaker: We now have a time limit of six minutes. I call the Father of the House, Sir Peter Bottomley.

5.6 pm

Sir Peter Bottomley (Worthing West) (Con): It is interesting to follow the hon. Member for Ochil and South Perthshire (John Nicolson). I do not think he needed to bring in party politics in the way that he did. I do not think that will help Channel 4, and I do not think it will help him either. What I do think is that, if the arguments put forward for the privatisation of Channel 4 were any good, they would have been put forward by Channel 4. If I were Secretary of State, I would say, "Ask Channel 4 to ask for privatisation as and when they think it will help them as a public service broadcaster." It has not.

I ask the Government: when was the last time Channel 4 used public money for programmes? When did it last ask to have its borrowing limit lifted? It has not. I ask the Secretary of State whether she could have put in what she said. How much has Channel 4's income from digital advertising increased in the last year and how much does Channel 4 expect it to rise in the next four years? We know that subscription on demand has grown and that broadcasting on demand has grown, mainly through Channel 4, but others can do the same, and we expect growth in advertising on video on demand. What we do not need to do is to throw away one of our best linear broadcasters which is also good at digital transformation.

Nothing has been said by Government, or even Government supporters, that suggests that Channel 4 would do better in other hands. The only conceivable

ownership that would keep it going the way it is now is if it were given to the independent production companies to own as a mutual, and kept the broadcaster role and the rights on secondary broadcasting. That is a zero-sum game. Either the income stays with the producers or it goes to the broadcaster—it cannot go to both. If the Government think it would help the producers to take away that secondary income, they are just saying, "We are going to take it from one pocket and put it in another." No argument has been put forward for that.

Have the advertisers said that they want this for Channel 4? No. The Incorporated Society of British Advertisers has said very clearly that it does not want that. There is also no evidence from polls or the Government survey and consultation that the viewers want its ownership or remit changed. The Government say that they are going to keep the whole public service remit, but they are not.

Channel 4 has been going—successfully—for 40 years. It has its ups and downs, but generally it is on the way up. The transformation in the way it produces and presents its products has gone on improving choices for people.

We have more than three different types of public service broadcasters. The Government are proposing to abolish one of them. That is not conservative; it is destructive. I do not blame the Secretary of State for thinking up the idea; it was there before she took on her responsibilities. But she could have done what other Secretaries of State have done and stood up to those who want to privatise Channel 4. My wife did. She was in a small minority in the Cabinet. She stood up against it. Her arguments were right. When the Chancellor said, "We want to get some money in, because we are short of money," she explained that it was not a question of how much; it was just wrong. In the years since the mid-1990s—that is about 27 years—Channel 4 has gone from strength to strength.

I say to the Government: do not go on with this, although not because I do not like privatisation—I do. The privatisation of the National Freight Corporation—incidentally, that was the only bit of privatisation in the 1979 manifesto on which Margaret Thatcher and I got elected—was to hand the National Freight Corporation to its employees and that worked really well, but that is not the proposal here.

Government speakers say that the proposal will give Channel 4 more money to put into training people. We do not need to privatise an organisation to do that. They say that it will provide more money for commissioning programmes. Maybe it would in the short term, but not in the long term. What is the medium-term and long-term gain? The answer has not been put forward.

I do not seriously believe that the Secretary of State or her colleagues mind being criticised by Channel 4 News—by criticism, I mean being asked to answer questions. That is the sort of thing that happens in the House of Commons and they do not try to abolish the House of Commons because we ask awkward questions. But as I have said, it is far better to be in government and to have to answer awkward questions than to be in opposition and cheer when the interviewer puts the awkward questions to the Labour party or whatever else might be the alternative Government.

[Sir Peter Bottomley]

I ask the Secretary of State and the Government to think again, to leave the proposals for Channel 4 to rest and to say to Channel 4's viewers, management and board, "If and when you believe that we can do better under a different kind of ownership, come forward and say so." One of the many groups that have not done that is those involved in Channel 4.

Those who are concerned more for the producers of programmes than for the viewers put the arguments well around the nations of this country. I do so on behalf of the public interest. If the choice is between the state owning Channel 4 and the United States owning Channel 4, it is better to have it as a state corporation, independent of Government. I wish Government would stop messing it around.

5.12 pm

Kevin Brennan (Cardiff West) (Lab): I endorse what the Father of the House just said. That is not to say that I do not have sympathy with Ministers. I was a Minister in the last Labour Government and I understand that Ministers face very difficult decisions. It is not always a decision between simply what is right and what is wrong. Sometimes, it is not a decision between good and evil. Sometimes, it is a decision between the unacceptable and the unpalatable. So I have sympathy with Ministers when they are considering policy.

However, I have been trying to imagine the meeting that the Secretary of State and her Ministers must have had to discuss this topic. Presumably, the permanent secretary came along and said, "Secretary of State, I'm afraid that I've got some bad news for you: we haven't got a problem." The Secretary of State said, "Really? That's worrying. What haven't we got a problem with?" The permanent secretary said, "I'm afraid we haven't got a problem with Channel 4." The Secretary of State said, "Why? What has it been doing?" The permanent secretary said, "I'm afraid to tell you that it hasn't been costing the taxpayer a penny while it has been operating as a public service broadcaster. It gets worse. Last year, it brought in £1.2 billion in revenue and a record financial surplus of £100 million. If that is not enough, it does not even need to borrow any money to finance its operations. I'm afraid to tell you, Secretary of State, that there is much more of this. It has also been rapidly growing its digital advertising revenue, moving into the advertising market that is the future in a way that is far outstripping all of its commercial competitors. Worse still, its digital strategy is way ahead of all its commercial competitors. It has been, annoyingly, fulfilling its remit to appeal to young people. It is the most successful broadcaster of any commercial broadcaster in reaching 16 to 34-year-olds and hugely diverse audiences.

On top of that, I'm afraid to tell you, Secretary of State, it has been commissioning content from independent producers all over the country—"

Madam Deputy Speaker (Dame Eleanor Laing): Order. The hon. Gentleman is doing it, too. You cannot say, "I want to tell you, Secretary of State." You have to say, "Madam Deputy Speaker, I want to tell the Secretary of State."

Kevin Brennan: I apologise, Madam Deputy Speaker, but I was quoting, in an imagined scenario, the permanent secretary. I was not referring to you, Madam Deputy

Speaker. This is a creative debate about the creative industries. I was creating an imagined conversation, so I do apologise if—

Madam Deputy Speaker: Order. I apologise to the hon. Gentleman. I had not quite picked up on the context. He is probably allowed to make an imaginary quotation, saying, "You, Secretary of State." Fine—proceed!

Kevin Brennan: I know that satire and irony does not translate very well into *Hansard*, Madam Deputy Speaker. Perhaps it could be put into italics, so that everybody can realise.

Jesse Norman: I just wondered, in the spirit of chivalry, whether I might be able to give the hon. Gentleman an extra minute by making an intervention.

Kevin Brennan: I have a feeling that that might not be in order, Madam Deputy Speaker.

Madam Deputy Speaker: Order. I would just point out to the right hon. Member for Hereford and South Herefordshire (Jesse Norman) that he might find he is disappointed at the end of the debate when he himself loses a minute.

Kevin Brennan: I am very grateful to the right hon. Gentleman for his motives. I hope he achieves his objective, but I am not sure whether I will get that extra minute.

In the imaginary conversation, the permanent secretary might have gone on to say, "On top of that, Channel 4 works with 300 production companies a year. It spends more on external production in the nations and regions than any other commercially funded broadcaster, dedicating over half its total content spend to content produced there. I'm afraid to tell you, Secretary of State, that, in addition, Channel 4 has created hundreds of high value jobs in the nations and regions, including by moving a large part of its operations out to Leeds"—I am afraid it was not Cardiff; I wish it had been Cardiff, but it has moved an important HQ out to Leeds—"and announcing plans to significantly increase its investment in skills."

The permanent secretary might have continued, "On top of that, I am afraid it has been taking decisions with the public interest at heart. I'm afraid to report, Secretary of State, that it has been taking those sorts of decisions, including broadcasting the Paralympics, which otherwise would not have been exposed, and giving a whole hour every night in prime time to news. The news, which counters the misinformation that is such a blight of our age because of the internet, is subcontracted to a production company"—as ever, to ITN—"and subject to Ofcom's rules of impartiality. And it has been absolutely integral to the success of our film industry."

"In other words, Secretary of State," the permanent secretary must have said, "it is a shameful litany of success from Channel 4, and we really ought to do something about it." Presumably, the Secretary of State would have said in response, "Well, quite clearly, we cannot allow things to go on as they are, because we are going to risk the Government's reputation for incompetence if this carries on. We have to protect it, and, after all, we were absolutely silent in our manifesto on the issue of privatising Channel 4. Therefore, it is absolutely imperative that we should definitely do it. We did not seek a mandate from the electorate to privatise this successful, publicly owned, public service broadcaster, so we absolutely ought to do it."

I say to the Minister for Media, Data and Digital Infrastructure, the hon. Member for Hornchurch and Upminster (Julia Lopez)—a very thoughtful Minister, who I am sure will make the best fist of this whole thing both here and eventually in Committee, if this lamentable proposal ever gets that far—that that is where we are at the moment: caught up in an episode of “Parliamentary Pointless”, with a policy that nobody promised in search of a problem that nobody perceives.

Lord Parkinson, the Arts Minister, appeared before the Digital, Culture, Media and Sport Committee this morning, and told us he has six Bills coming down the track in the House of Lords. I would have thought he had enough on his plate, without a pointless proposal of this kind. If colleagues in this place do not prevent this daft proposal from going any further, and the idea ends up down in the House of Lords, I am telling you—you, Madam Deputy Speaker, and the House—that it has no chance of making swift progress in the House of Lords, because it was not in the manifesto. As a result, as Lord Parkinson accepted this morning, the Salisbury convention will apply, and their lordships will feel as free as ever to delay the proposal and if necessary, as they are constitutionally entitled to do, invoke the Parliament Act. The proposal is pointless and should be abandoned.

5.20 pm

Julian Knight (Solihull) (Con): I heartily welcome a DCMS debate in this place—three hours, no less! My friend the hon. Member for Ochil and South Perthshire (John Nicolson) said that one current and two former Select Committee Chairs were drawn by this debate; he called us the three Doctors. I hope I was not Sylvester McCoy in that scenario.

Mr Whittingdale: Will my hon. Friend give way?

Julian Knight: Sylvester McCoy—of course.

Mr Whittingdale: I will make the intervention that I was denied by the hon. Member for Ochil and South Perthshire (John Nicolson), who made a good joke about Doctors. I merely wish to point out we have not only the current Chair but three former Chairs of the DCMS Committee in the Chamber.

Julian Knight: I thank my right hon. Friend for pointing that out and for the extra time his intervention allows me.

Despite my pleasure that we are debating a DCMS matter, which thanks to the business managers we were not able to do prior to Prorogation—for example, on online safety—I will not be supporting the Opposition’s rather over-long motion. However, I have mixed emotions regarding the decision to privatise Channel 4.

Intrinsically, as a free market Conservative, I recognise that it is a historic anomaly that Channel 4 should still, after 40 years, be in public ownership. I start from a simple position, which is that all things should be in the private sector unless there is an overwhelming case that they should be in public ownership. Public ownership is so often the dead hand on innovation. It implies stasis and has a wider sclerotic implication for the economy. However, being sclerotic and lacking innovation are two things I could never accuse Channel 4 of during its

40 years. For much of its first 40 years, the broadcaster has navigated its hybrid status between commercial and public ably. Other Members will no doubt list its strengths, which are myriad and cannot melt away like an ice sculpture.

I agree that privatisation will allow Channel 4 to capitalise on its achievements and attempt to keep up with the rampant inflation in the production sphere, which is an aspect of the wider inflation in the economy, but is also due to the success of UK film and TV production. In fact, I think the UK economy would have been in technical recession in 2018 and 2019 had it not been for those industries, such is their importance. However, the idea that privatisation will mean that Channel 4 will compete head-on with Prime or Netflix is an odd one.

Channel 4 is much better using its status—privatised or not—to better collaborate with other public service broadcasters. PSBs need to find a way to offer a combined front to the public: a super-BritBox, if you like. Imagine the entire rich back catalogue of British television streamed in one place and given due prominence through legislation. Does privatisation make such a thing more likely? With the right buyer, probably. It is unlikely that any buyer would look to—how can I put it?—Richard Desmond-ise Channel 4, as we saw with Channel 5.

I am not certain that I take the view of the hon. Member for Manchester Central (Lucy Powell) that a buyer will wait out 10 years and drive down the public service broadcasting. The whole point of Channel 4 is that it has unique selling points. It appeals to a young audience, which is extremely attractive for advertisers and marketeers, particularly in the age of streaming online, as well as for data sharing, which has wider implications.

Does the sale make sense from an Exchequer viewpoint? That is really marginal. It will raise enough to service, not pay off, the national debt for a total of 72 hours. Such is the lack of value to be derived that the Treasury has said that it is happy for the Department for Digital, Culture, Media and Sport to pledge the money towards the levelling-up agenda. We will see what comes out in the wash in that respect, but I always await the pleasant surprise of the Treasury following through on such a commitment. However, let us be frank: this is not about raising money. It is probably not about the idea that the channel will be a drain on public resources either; it has never been one in the past. However, it is better off being placed in the private sector to ensure that it can grow and develop.

Then we have the elephant in the room—the Jon Snow at Glasto, if you like. Is this in some way a revenge play? I hope not, because such things are deeply unbecoming. As individuals and collectively, we must always rise above such emotions. Personally, I believe that some of Channel 4’s Brexit coverage was shrill in the extreme and that it did not do itself any favours, but as a political class we have to be bigger than that in all respects. Actually, whenever I have gone on Channel 4 programmes, they have been perfectly fine: I have always been treated with respect and asked very thoughtful questions. We do Channel 4 down, but in many instances it offers unrivalled international coverage, and we would be really lacking without it.

[Julian Knight]

In summary, is the privatisation of Channel 4 the right course of action? Probably, but only marginally. Is it being done for the right reasons? I sincerely hope so, but I would be more convinced if it were part of a genuine suite of measures to deregulate our economy and embrace the private sector, rather than being a one-off. Frankly, what we need in the Conservative party is not pieces of red meat to be tossed, but a genuine and coherent plan to offer the public so that they understand exactly what we are and what we are trying to achieve. That would happen if the word “privatisation” were used much more often, not just in our manifestos but in our public utterances.

5.27 pm

Rachel Hopkins (Luton South) (Lab): It is a pleasure to follow the hon. Member for Solihull (Julian Knight).

“Channel 4’s public service model and remit, which are so vital to the continued strength of the UK’s broadcasting ecology, would not be best served by privatisation”.

Those are not my words, but those of the then Conservative Secretary of State for Digital, Culture, Media and Sport only five years ago. They still represent a wide consensus among the public: when the Government’s consultation last year essentially asked respondents whether they thought Channel 4 should be privatised, 91% said no and only 2% said yes.

The case for the continued public ownership of Channel 4 is overwhelming. It does not cost the taxpayer a single penny. It invests 100% of its revenue back into the channel to provide entertainment for the public, good jobs in communities and opportunities for the UK’s fast-growing creative industries. Its unique remit has allowed it to directly invest more than £1 billion into the UK’s independent production sector and work with 300 smaller production companies every year. Channel 4’s commissioning has boosted local economies across the country; it spends more with production companies in the nations and regions than any other public service broadcaster, and more than 50% of its commissioning budget is allocated to production companies outside London.

I remember Channel 4 first coming to our screens in 1982. It was an exciting prospect. It was fitting that its first show was produced by a regional production company, Yorkshire Television—it was none other than teatime favourite “Countdown”. Over nearly 40 years, Channel 4 has pioneered representation and diversity and showcased them to audiences across the UK and the world. Its focus on alternative voices and cutting-edge storytelling has created TV firsts such as the first female same-sex kiss aired before 9 pm, which was on “Brookside” in 1994. Recently, we have seen “It’s a Sin”, “Derry Girls” and a favourite of mine, “The Lateish Show with Mo Gilligan”, all brilliant examples of what a publicly owned Channel 4 can still create.

Maintaining our world-class reputation in TV production and film-making is critical to our global Britain ambitions, but let us be frank about what the Conservative Government’s decision tells us: they are not serious about distributing economic growth, supporting small and medium-sized businesses or backing the UK creative industries on the global stage. As the National Union of Journalists has put it:

“It’s hard to see any justification for privatising Channel Four other than ideology. Channel 4 has achieved what it was asked to do and has proved a hit with viewers.”

The Government’s hollow justification for a change in ownership does not stand up to scrutiny. Channel 4 is thriving. It is the UK’s largest streaming service—nearly a third more than Netflix in 2020—while Netflix’s share prices have plummeted.

The benefits of a publicly owned Channel 4 are clear and obvious for all to see, and selling it off is an ideological act of vandalism. This ideologically driven attack on the future of our creative industries and on the principle of having public service broadcasters will create a Channel 4 that is focused merely on delivering profits to shareholders and not on creating diverse and distinctive content for the public. Privatisation would end the unique rights model that supports independent companies to grow. It would also threaten the future of Film4, which spends more on British film than any other UK broadcaster, investing £25 million annually in feature films that nurture diverse and new talent. This has created films such as “Trainspotting”, “Slumdog Millionaire” and “12 Years a Slave” and has collectively to date won 37 Academy Awards and 84 BAFTAs.

As well as the likelihood of losing the alternative, gritty, brave content we all love, the economic damage across the country would be substantial. As we have heard, EY analysis has found that £2 billion-worth of Channel 4’s contribution to the creative economy in the regions would be lost if the channel were privatised, and there would be a 40% decline in the regional supply chain contribution and a 35% decline in jobs supported in the nations and regions.

I also want to make the point that the timing of the announcement is curious. As has been mentioned, this proposal was not in the Government’s manifesto. The Government have prioritised selling off a proud British institution over tackling the cost of living crisis that is ravaging communities across the country. I look forward to the Minister telling the House in her wind-up speech why the Government are prioritising selling off Channel 4 over bringing down food, energy and fuel bills. How will selling off Channel 4 help my constituents to pay their bills? Or is this really a petty vendetta against a broadcaster whose news content the Conservatives do not like?

Unlike the Conservative party, Labour is proud of our great British broadcasters. We recognise the power of projecting British culture, values and creative excellence across the world in helping our country to prosper. If it were not for Channel 4, my younger self would not have discovered great new music by watching “The Tube”, discovered brilliant comedy such as “Father Ted” or felt represented by working-class drama such as “This is England”. Now, my middle-aged self would not be enjoying some of the best political commentary from the good people of “Gogglebox” or “The Last Leg”. Pushing forward with privatisation represents a complete disregard for the concerns of the creative industries and the public. Channel 4 ain’t broke.

5.33 pm

Mr John Whittingdale (Maldon) (Con): There is a lot in the Opposition motion with which I agree, particularly its drawing attention to the success of our creative industries and our broadcasting sector and to the benefits

that Channel 4 has brought, but it is because I want to see the continuation of Channel 4's contribution to the creative sector that I believe the Government's policy is right and will ensure that Channel 4 can continue to thrive.

As has been pointed out, Channel 4 was created by Margaret Thatcher's Government. There were two principal objectives. The first was to cater for minority audiences that were not being properly provided for at that time. The second was to act as a catalyst to what was then a barely visible independent production sector. Since that time, the landscape has changed dramatically. If we look at the range of choice now available to viewers, we see huge numbers of channels providing a wide and diverse range of content. We also see the spend by those channels. A lot of them are not British, but they are spending money in Britain. Just to give one example, Apple TV recently came to my constituency of Maldon to make "The Essex Serpent", which I thoroughly recommend to those who have not yet seen it. Minority audiences are now being catered for, but of course Channel 4 should continue with that remit and continue to meet it.

The independent sector has absolutely taken off since Channel 4 was created and is now making programmes that are enjoyed right across the world. However, it is true, as one or two hon. Members have pointed out, that the spend of Channel 4 has declined. I want to cite quickly the latest Oliver & Ohlbaum UK TV production survey for PACT—the Producers Alliance for Cinema and Television—which is the independent production sector. In 2020, spending on independent producers was £508 million by the BBC, £356 million by ITV, £210 million by Channel 4 and £223 million by the others, including Sky and some of the streamers.

Just in case people say, "Ah, but Channel 4 continues to support the small indies", I point out that 40% of the BBC's spend is on independent production companies with a turnover of less £10 million, compared with 27% of ITV's, 11% of Channel 5's and just 10% of Channel 4's. Yes, Channel 4 does make a contribution, but the independent production sector is actually now so successful that it no longer necessarily needs the support it was previously given. Indeed, I think there is a case for tweaking the remit so that Channel 4 is perhaps returned to its original purpose of focusing on growing companies, not just on commissioning from production companies that are already hugely successful.

The reason why it is right to look at the future of Channel 4 now is that the original model set up, as a commissioner and publisher-broadcaster wholly dependent on advertising, is going to come under increasing strain. Yes, Channel 4 did well last year in that it survived the pandemic. It did so because it cut the programme budget by £140 million and its drop in revenue was not quite as big. As a result, it made a larger profit, but it did so only by slashing the programme budget. That was a sensible thing to do, but it should not be interpreted as Channel 4 thriving and not being under huge pressure.

We know that that pressure is going to increase. Advertising is steadily migrating online. Digital advertising is becoming overwhelmingly the major spend by the advertising industry. As the Secretary of State pointed out, those that want to spend on TV advertising have

ITV, Channel 4, Channel 5 and Sky to go to at the moment, but the streaming services are also going to open up to advertising. Netflix is talking about taking advertising and Disney is talking about taking advertising, so the competition for advertising is going to get ever greater and the diversion of revenue to digital media is also going to continue.

Channel 4's revenues are going to come under increasing strain at the same time as the cost of production is rising steadily and there is a shortage of skills. As has been pointed out, there are potential benefits from privatisation, and the hon. Member for Cardiff West (Kevin Brennan) referred to the difficulties that might be encountered in the House of Lords. To quote the last House of Lords report on Channel 4:

"The potential benefits of privatisation to C4C's sustainability are increased access to investment in programming, content partnerships and technology through access to capital. This would enable C4C to diversify its revenues, enhance its sustainability and be more ambitious internationally."

I could not have put it better myself.

I want to counter those who suggest that this somehow a vendetta against Channel 4 because some people may not like some programmes. I completely reject that. I remain a fan of Channel 4 News, even though it annoys me intensely on occasions. It is important that we have plurality in our news provision, and Channel 4 News is a professional news provider. This is not just about raising money for the Treasury. The reason behind privatisation is that the Conservative Government whose predecessor created Channel 4 want Channel 4 to go on succeeding, but under the present change in the landscape, it needs a different funding model and the access to capital that the private sector can provide.

Several hon. Members rose—

Mr Deputy Speaker (Mr Nigel Evans): Order. I remind everybody that the wind-ups will start no later than 6.40 pm, which is in roughly an hour's time, and that those participating in this debate are expected to be here for the wind-ups.

5.39 pm

Ben Lake (Ceredigion) (PC): It is a pleasure to follow the right hon. Member for Maldon (Mr Whittingdale), and I agree with much of what was said by the Father of the House and the hon. Member for Cardiff West (Kevin Brennan). I do not feel that the case for privatisation has been made.

As the hon. Member for Cardiff West so eloquently conveyed in his imagined conversation between the Secretary of State and the permanent secretary, Channel 4 is in rude financial health and there is a danger that many of its commercial competitors look on with envy at its digital innovation, so I do not think the case has been made for privatisation in the interest of preserving the future of Channel 4.

I have previously raised concerns that privatisation would jeopardise Channel 4's valuable investment and contribution in communities across the UK as part of its public service remit, and particularly its contribution to production companies and content producers in the nations and regions of the UK thanks to the quotas set by the Government as part of its remit and the voluntary quotas it has decided to exceed.

[Ben Lake]

When I asked the Secretary of State and the Department how the Government would ensure that such a valuable contribution continues following privatisation, I was told to wait for the White Paper for further details. I have waited, but I am afraid the White Paper offers little by way of reassurance.

The Government made a commitment in the White Paper to maintaining Channel 4's mandatory obligations on regional production and commissioning outside England, which at first glance is very welcome but is by no means an improvement on the status quo. In fact, it risks falling below the current level because Channel 4, as I mentioned, exceeds its mandatory requirements.

Channel 4's mandatory quota for content produced outside London is currently 35%. That is much lower than its voluntary quota, which exceeds 50%. If a private owner aligned spending in the nations and regions with the mandatory quota alone, Channel 4's contribution to gross value added through its supply chains in the nations and regions would reduce by some 43%, or £1.2 billion, over 10 years.

The independent report by Ernst and Young suggests that the creative industries in Wales will be disproportionately hit, noting that a private owner would likely choose to shift commissioning spend to London's more concentrated production market. Perhaps in response to the inflationary pressures in the sector, a private owner might want to consolidate and concentrate its operations to save on costs, which would have a very serious impact on jobs in Wales and in the other nations and regions of the UK.

The jobs supported by Channel 4 in the nations and regions each year, both directly and through its supply chain, would reduce by some 60%. Channel 4's investment in Wales has amounted to more than £77 million in the past 10 years, supporting more than 200 jobs in 2019 alone. The White Paper, I am afraid to say, fails to offer the reassurance I was hoping for that such a contribution would continue under privatisation, let alone explain how it might increase due to the supposed benefits of privatisation.

In evidence to the House of Lords Communications and Digital Committee, Teledwyr Annibynol Cymru, the Welsh independent producers group, said it

"cannot see any benefits of privatising Channel 4."

Indeed, TAC expressed a fear that privatisation will have a negative impact on the Welsh production sector, and it detailed concerns about the future of Channel 4's training programmes, including its flagship production training scheme, which is completely focused on the nations and regions and has already placed trainees with Welsh companies such as Bad Wolf, Yeti and Chwarel, and with the Welsh factual fast-track scheme that addresses skills gaps in developing executive producers in the factual sector.

Reduced spending on such schemes will not only affect current jobs but undermine the long-term development of the creative producers and journalists of the future. It is patently obvious that the Government's proposals to remove Channel 4's publisher-broadcaster model, which ensures that the vast majority of its content spend goes on original UK programming, will only damage the sector in Wales. Rather than delivering

a public service remit, Channel 4 would instead have to act solely with a direct profit motive. That would mean that future investment will be ever more driven by market forces. Let us consider for a moment that the Netflix production hub is in Surrey's Shepperton studios and that Disney has a long-term lease for Pinewood studios. If the Government wish Channel 4 to follow in the footsteps of those companies, we will almost certainly see production concentrate and consolidate in the south-east of England, contrary to the Government's levelling-up agenda. The White Paper and the proposals for Channel 4 have failed to reassure me that the privatisation will deliver any other outcome. They are then failing not only the future of the cultural sector in Wales and other parts of the UK, but the Government's own levelling-up objectives.

5.45 pm

Damian Collins (Folkestone and Hythe) (Con): Before I start, I would like to do as the shadow Secretary of State did and declare my entry in the Register of Members' Financial Interests. I, too, was a guest of Channel 4 at the BAFTA ceremony. I would also declare, as other Members from across the House have done, that I am a fan of "Derry Girls", as, I am sure, as part of his cross-community work, is the hon. Member for North Antrim (Ian Paisley). This is a channel that makes great programmes that are part of our national psyche and it is an important part of our broadcasting landscape.

However, I say to Opposition Members and some on our side that I have an honest disagreement with Channel 4 and with people who are opposing privatisation; the company, although well run, is running into such strong industry headwinds that this cannot be taken off the table and it has to be considered seriously. As Channel 4 said in its own "The Next Episode" response to the Government's White Paper, all options have to be considered. That has to include the option of privatisation.

The challenges to the sector are very real. A lot has been made of the fact that the last financial year was a successful one for Channel 4 and for the UK advertising industry. There was a major spike in advertising revenues. That is partly to do with a major surge in advertising spend coming out of the pandemic, which saw a big increase in revenues for all broadcasters. The pandemic also meant the delay to the European championships and the Olympics, and such major international tournaments traditionally have a considerable inflationary impact on the advertising market. So we have to look at this in a wider context: the increases in ad revenues seen in 2021 may not be repeated; and the diversion away from linear television advertising—traditional spot advertising—to digital media is a continuing trend. Channel 4 may be the leading UK broadcaster in that respect, but currently only 16% of its revenues come from digital advertising. Although it wants to move that target to 30% by 2025, that may still be a significant challenge.

If there is a major challenge to the TV industry, to the advertising industry, and if there were a recession—TV advertising is traditionally one of the earliest and worst-hit sectors—Channel 4 would be much more vulnerable to the economic shocks that would come, because it does not have other revenue sources. These trends may be familiar across PSBs, which have seen long-term declines in revenue if they are commercial, and in audience numbers, including at peak time. However, the BBC can

make money from making programmes. ITV can make money from making programmes, for itself and for other people. Channel 4 does not have that option.

Let us look at the period before the pandemic. In trying to observe a trend, that is probably the fairest thing to do, because we do not yet quite know what impact the pandemic has had, in terms of lockdown in 2020 and recovery in 2021. What does the picture look like? I think everyone here would agree that when Channel 4 was set up its purpose was to invest its money in UK original productions made by independent production companies. It was set up at a time when the BBC and the ITV companies largely made most of their stuff in house, so it was a necessary vehicle to get financial investment into the independent production sector. This was a sector where Sky, Amazon and Netflix did not exist, and it was far more reliant on that funding.

If we look at what has happened to Channel 4, and this is true for other PSBs as well, we see that in 2006 it spent £516 million in first-run original content. In 2019, the year before the pandemic, the figure was £436 million, so we have seen a 15% decline. That declining revenue also bought a lot less as well, because inflation in the TV production market is making it more and more expensive to make programmes. So in 2006 Channel 4 broadcast 3,388 hours of first-run original content, whereas in 2019 it broadcast 2,473 hours, which represents a decline of 27%. This trend away from traditional broadcasters towards digital markets, with the pressure that has on their budgets and the declining amount of money they can afford to spend on new programming, has been a trend for a number of years now. The concern we must have is that if there was a shock in the digital ad market and if Channel 4 cannot hit its targets of allowing digital revenues to grow as broadcast revenues decline, it is much more vulnerable. It does not have the reserves and it does not have the ability to make money elsewhere. That is why even Channel 4 is proposing significant changes to its remit.

Kevin Brennan: The hon. Gentleman says that Channel 4 is proposing this, but that proposal was a direct response to a request from the Secretary of State to propose alternative sources of revenue. It was not initiated by Channel 4 because of its concerns about its finances.

Damian Collins: As I pointed out earlier in the debate, in that document Channel 4 itself says that it requires a radical reset of its role. If it is to take the opportunity of the changing digital landscape in the future, it needs to be in a position to invest more money. That extra investment will not come from advertising revenues. Channel 4 has been the most successful traditional UK broadcaster in switching to digital, but even there the best one can say about the last few years is that the increase in digital revenues has just about kept pace with the decline in broadcasting revenues. Digital is not raising more money incrementally for Channel 4 to invest in programming at a time when new entrants to the market are increasing their spend significantly—by hundreds of millions of pounds. The danger is that Channel 4, with its unique voice, will be less able to compete, less able to commission, and will run less new programming than it could in the past and that other broadcasters will do. That has to be addressed.

Channel 4 has said that its role needs to be radically reset. It is calling for its digital streaming service, All 4, to be global—to reach a global audience—to increase ad revenues. That is a sensible idea, but the independent production companies that make programmes for Channel 4 would have to give their consent to being unable to sell their programming internationally on their own, as they would in other territories. It calls for the creation of a joint venture in which Channel 4 holds a minority stake that would raise £1 billion to invest in new programming over the next five years. That would be a sensible measure to bring in a significant extra boost in revenue, although it would only bring Channel 4 back to where it was in 2006. As part of that joint venture, Channel 4 would have the intellectual property rights for programming and make money from selling those programmes. Channel 4 believes that may be within its current remit, although it would significantly change the spirit of the remit. The independent production companies might have concerns about that extension, but it is probably necessary.

The idea that the status quo can continue is wrong. It would be wrong of us to assume that it can continue and to say that we will deal with this problem, if it comes, in the future, and in the meantime see Channel 4 gradually wither on the vine, with declining revenues, declining investment in programming, unable to compete, until the point where it cannot go on and requires a bail-out from the Government or the other PSBs. That is the risk we are taking.

The Government's "Up Next" White Paper is not an ideological tract; it is a sensible and serious look at real issues in the TV sector. We may have different views on what the right format would be; Channel 4 has put forward its ideas and other bidders will do the same. I think the bidders will be more than the traditional players; others will bid as well and we should look at those options, but they will all be options for change, suggesting a way that Channel 4 can raise more money to invest in what we want it to do—making great programmes.

5.52 pm

Ian Paisley (North Antrim) (DUP): When the Secretary of State opened her comments by saying how wonderful the live coverage of the jubilee was, I think I uttered a hearty, "Hear, hear." The live production was very good and the BBC, Channel 4 and others played a key part, but at times the experience soured a bit for people in Northern Ireland. The hon. Member for Ochil and South Perthshire (John Nicolson) was happy to talk about incompetence, but someone grossly incompetent at the BBC decided to flag up the symbols of the nations, and while of course they got the saltire for Scotland, the dragon for Wales and St George's cross for England correct, they decided to put up the tricolour of the Irish Republic for Northern Ireland. Grossly offensive. How pathetic. What senior executive took that decision? How was it made? Now, if we go to iPlayer, we see it has been removed—no doubt to spare the blushes and the embarrassment of the BBC.

We see that sort of thing quite a bit from the BBC. We recently celebrated 100 years of the state of Northern Ireland. The BBC deigned to give that three minutes of

[*Ian Paisley*]

coverage on television, despite the fact that we had a massive series of celebrations over some months. The BBC provided just three minutes of television coverage of a major parade and display. Just this week, the BBC has announced it will no longer do live coverage and broadcast of the biggest carnival in Northern Ireland—the Twelfth of July. So my beef is actually with the BBC, not Channel 4. I have very few complaints about Channel 4. In the 12 years that I have been in this House, my mailbag has not received one complaint about Channel 4, but there have been thousands upon thousands of them about the BBC. That tells me that Channel 4 is probably getting things right. I must say that whenever I go on Channel 4, yes, I am faced with robust questions, but I am also faced with fair questions. That is what we expect from our media. The discussion and the debate to privatise Channel 4 should definitely take place, as the hon. Member for Folkestone and Hythe (Damian Collins) said. It is important that we justify whether a sale should take place, but I also think that it can be an unnecessary distraction when there are other things that the Secretary of State and the Department should be dealing with—I think that I identified a few of them in my opening comments.

Channel 4 is an enabler of television and film production in Northern Ireland. That is the key point. People can say that other companies could come in and do the same, but Channel 4 has actually been there on the ground and enabled small companies to grow into excellent film-making and film production companies—companies such as Waddell, Stellify, Strident and Fired Up. Those little companies that started off with one or two creative individuals are now the mainstay of a lot of the film and TV production in Northern Ireland. I would like some reassurances that that sort of support will continue to be in place under privatisation. If it is not, Northern Ireland stands to lose enabling companies that generate £250 million in the economy of Northern Ireland. For a country of 1.7 million people, that is massive. That is significant. It is a major employer. Instead of our thinking that Northern Ireland is a country that just does agrifood production and heavy engineering, we can see that we actually have a high-tech film-making sector, which has given us very great opportunities for employment. Channel 4 directly employs 81 people in Northern Ireland. Under privatisation, will those jobs be protected? Channel 4 also puts £8 million directly annually into the gross value added of Northern Ireland. Would that be protected? When I asked the Secretary of State those questions during her speech, she was not able to give me a direct assurance that that was the case. I understand that those points will be taken away and could be looked at again.

The enabling work that Channel 4 has done meant that, last year, nine major TV dramas and six major film productions were made in Northern Ireland. The little film and production companies that Channel 4 supported from their very inception are now there to make those key roles and play that key part in the future of film-making and television dramatisations in Northern Ireland.

Finally, the White Paper calls for broadcasting to be fit for the new era. We have heard from a number of Members that All 4, the Channel 4 online streaming

service, is the largest free streaming service in the United Kingdom. If that is the case, Channel 4 is doing something right, and it is for others to catch up.

5.58 pm

Robin Millar (Aberconwy) (Con): As so many on these Benches have said, Channel 4 has marked the landscape of our lives. Loved or loathed, the landmarks are all there to see across the broadcasting landscape. For me as a youngster, it was the NFL coverage of Super Bowl on Sunday nights that sticks in my memory. More recently, as an engineer, I enjoyed the prominence and accomplishments of the characters on “The Big Bang Theory”, and there are others that have taken our attention as a nation. Who could forget the cultural contributions of the likes of Homer Simpson, particularly his contribution to the English language of “Doh”? Perhaps I am the first Member in this House to mention that in this place. For the benefit of the hon. Member for Ochil and South Perthshire (John Nicolson), that was a cultural reference.

The motion moved by the Labour party opens with the words:

“That this House supports the UK’s much loved cultural institutions, which are celebrated around the world while creating jobs and growth across the country”.

I am sure that those words are unanimously supported by Members across the House. I am proud of this Government’s support for, and recognition of, the immense value of our cultural institutions. After all, it was this Government who opened the £1.6 billion cultural recovery fund, which protected museums, galleries and other cultural treasures from the existential threat that the pandemic presented to much of the UK’s cultural landscape. It was a Conservative Government who saved it.

Let me be clear that I believe the right sale of Channel 4 will help it to thrive in the modern era. Other hon. Members have made that point, so I will not dwell on it. I also believe that a change of ownership can give it access to funds, as other hon. Members have pointed out.

My main point, in answer to several hon. Members who have raised this, is about why a sale is necessary. This is an important point to make because it speaks to how we manage public assets—the buying, holding and exiting of those assets. The word “ideology” has been used several times by Opposition Members. Perhaps this is a gross characterisation—hon. Members will forgive me—but often the Opposition are characterised as being ideologically driven and those of us on the Government side are characterised, or criticised even, as being over-pragmatic. It is interesting to see our actions and words here viewed through an ideological lens. Actually, we are making a pragmatic response.

As a state, we have a poor track record—across all parties and all Governments. We are very good at spotting problems, designing a response and delivering a solution, but then we tend just to hold on. We think that is virtuous, but in fact we risk creating self-perpetuating institutions that become an echo of the past. The real question is not whether this is an ideologically driven or pragmatic response; it is which is the better driver for creativity. I am mindful of bodies such as NatWest, because until two months ago the Government were still the majority shareholder.

What happens when we hold an institution—this has been shown time and again—is that institutional calcification occurs. Inevitably, funds are diverted, with more and more resource going into self-preservation. But the right sale, well managed, would break that up.

Jesse Norman: I am enormously grateful to my hon. Friend for his comments, but does he have any evidence that the calcification he talks of is actually happening to Channel 4? There is obviously inflation in the sector. Does he think that Channel 4 is markedly less innovative than other players in the sector? Could he say a bit more about why he thinks privatisation would make a positive difference, given that Channel 4 has managed to flourish over 40 years of state ownership? There are other state organisations, such as the Bank of England, that we would not consider privatising because they have shown their value over many years.

Robin Millar: I thank my right hon. Friend, who pre-empted my next comments. Indeed, I will come on to why flourishing is not just measured in finance. For every supply chain that might be disrupted by a sale, a new opportunity for entrants to the sector is created. We have already heard one such example in the intervention from my hon. Friend the Member for Lichfield (Michael Fabricant). Some of the production companies that started with Channel 4 in the early days were cutting-edge start-ups, but now they are becoming institutions in their own right, and we have seen the same pattern—to answer my right hon. Friend's question—in silicon valley. For agrarians and those who enjoy gardening, sometimes we prune a successful fruit tree in order to encourage further flourishing and production.

After all, Channel 4 has achieved its objective, and this is the point. It was set up by a Conservative Government, under Margaret Thatcher, to create competition in our now thriving independent production sector. Now, having fulfilled this purpose, we are supporting our public service broadcasters to continue to grow, export British content and compete globally. To sell is a responsible question to ask.

By way of further example, about a year ago I spoke to the former chief executive of S4C—Sianel Pedwar Cymru, as we say over the border. It was clear then that S4C was being drawn away from the traditional broadcaster role into more of a media company role, but the funding arrangements in place were hindering that. I see a parallel with the situation facing Channel 4. To be clear, and in response to the hon. Member for Cardiff West (Kevin Brennan), success is not shameful and a sale is not punishment.

In conclusion, the Opposition should not fear change, nor should they resist the responsible management of public assets. It is the responsible thing and it is the right time now to ask the question: what next for Channel 4?

6.4 pm

Charlotte Nichols (Warrington North) (Lab): That we are having this debate at all shows the widespread failure of this Government. They are bereft of ideas and sinking in the polls at a time when the public are being hammered by soaring costs and squeezed incomes. Any sensible, competent Government would be laser-focused on addressing that, fixing the economy and giving people the support and security that they deserve.

But this is not a competent Government, and they are incapable of even basic administration or delivery, as we have just heard in the debate on their crisis at the Passport Office, which still fills my inbox. Instead they repeatedly try to distract and hoodwink us with unnecessary fights and outrageous announcements, diverting us all with culture war headlines rather than doing their jobs.

This culture war is an act of cultural vandalism. Channel 4 is a great British success story. It is publicly owned but privately funded, and is a major employer in our news and entertainment sectors, essential for small independent production companies, and the biggest single investor in the British film industry. Its remit has developed programmes that give opportunities to alternative and marginalised groups and made both a commercial and cultural success of their perspectives.

Not least among those are the opportunities and representation that Channel 4 has consistently championed for LGBT people since its launch in the 1980s, when previous Conservative Governments condemned our identities. That in itself shows that Channel 4 has never been constrained by its public broadcaster status. It nurtures skills and talent and extends our reach and cultural influence around the world; it would take an extremely strong reason for anyone to want to threaten that success, especially since the Government have no mandate or support from the public to do so.

The Government have not come forward with any coherent case for their proposal. Channel 4 thrived financially last year, with record revenue and surplus. It is already a major investor in our creative industries and is able to take wholly independent commercial and editorial decisions without answering to either Government or shareholders. In comparison with the now flagging Netflix, All 4 is the UK's biggest free streaming service, generating 1.25 billion views in 2021, and 80% of UK 16 to 34-year-olds are registered.

Channel 4 already spends more with production companies in the nations and regions than any other public service broadcaster. More than half of its commissioning budget is spent outside London, going directly to small independent production companies, and it has major offices in the north, including one in Manchester.

In a first for terrestrial TV, this year, rugby league has been available for the first time on Channel 4, something that is huge for the sport. Some 750,000 people tuned in to watch Leeds Rhinos versus Warrington Wolves, and throughout the season we have had increased audiences getting to watch rugby league, perhaps for the first time—something that is important not only for Channel 4, but for a sport that rarely gets the exposure and audience share it deserves, despite its importance to communities such as mine and across the north of England.

This is a dud of a proposal, which would rightly be rejected by commissioning editors as a clear flop. Beyond just the creative sector, the plans are opposed by 91% of the consulted public. The Incorporated Society of British Advertisers tells us that advertisers “overwhelmingly oppose the privatisation” and the Federation of Entertainment Unions and the Bectu trade union warn that, according to Ernst and Young,

“the creative industries could be £2 billion worse off under privatisation, as well as 2,400 jobs in the creative industries being at risk and at least 60 production companies at risk of closure.”

[Charlotte Nichols]

Far from being strong reasons to privatise, they are clear warnings that the Government's plans could be an unwelcome body blow to a flagship British industry.

Rather than this reckless vandalism, Labour offers support to our great British success stories. I am glad to hear that those on the Front Bench will be taking every measure to oppose this, here and in the Lords. We are proud of our creative industries; we should be boosting them, not flogging them off.

6.9 pm

Ben Everitt (Milton Keynes North) (Con): I am sure we can all agree that the diversity and range of broadcasting here in the UK is a hallmark of a free and democratic society. Indeed, television is one of our most popular exports, and a huge source of soft power. We project Britain, and our ideals, through billions of TV screens around the world. I am a '70s baby, early '80s child. I was about eight when my parents first got a television, and I was absolutely glued to it, so Channel 4 really has been part of my life growing up. Indeed, people remember the excitement of acquiring the fifth channel.

Channel 4 is a modern, forward-thinking broadcaster providing millions of customers with unique content while, as we have heard, supporting and promoting the independent production sector. I reflected this morning on what Channel 4 shows I have enjoyed watching. I realised that aside from "Humans", all the others are from about 20 years ago—"Brass Eye", "Spaced", "The IT Crowd", "Father Ted" and so on. Plenty of shows produced by Channel 4 subsequently have pushed the boundaries of broadcasting, even if I have not watched them. I am told that one of them is called "Naked Attraction". These shows, and many more, illustrate the vast range and depth of the creative talent at Channel 4. Importantly, the Government are keen to maintain and foster that in future, which is why they are taking action.

The media and television landscape has changed dramatically over the past decade, with the rise of subscription streaming services such as Netflix, Disney+ and Prime Video, all of which have been mentioned. They demonstrate the shift in the landscape. We can now access content through a range of devices at any time, wherever we are. We need to adapt. The world is changing and there is a new landscape, so public service providers must evolve. We have an increasingly competitive market. No Government can fully give powers to any company to adapt to this. Government ownership, in the context of that competitive market shift, is holding Channel 4 back from being able to adapt to the new state of play. Adapting, in the case of Channel 4, means diversifying and broadening revenue streams. It means having unrestricted freedom to create and produce its own content, fully utilising the creative talent that it is known for across the country.

These significant structural changes require investment—lots of it—and speed of delivery. That scale of change is best achieved through private ownership. During these testing times for many throughout this nation, it is not fair to ask the taxpayer to bear the burden of any resulting risks. More broadly, these challenges are linked to the Government's levelling-up strategy. We want to empower the UK's creative industries, wherever they

are across our nation, by investing in independent production and creative skills, creating more jobs and opportunities for everyone. I welcome the fact that the Government seek to use the proceeds from the sale of Channel 4 to enable that investment.

The media Bill will empower Channel 4 by enabling it to pursue and track its own creative direction, bolstering the UK's public service broadcasting sector. If we increase competitiveness, we drive growth and prosperity across our nation—something I am sure we can all agree, across this House, is a desirable outcome. Clearly—this will not be a shock—I am not on the side of the doom-mongers and the pessimists, or, as others call them, the Opposition. We heard a blast from the past earlier with all the stuff about big American companies coming over to take our assets. It is Corbynism again—Corbynism in an Islington lawyer suit. Channel 4 has a bright future. It has the capacity and the tools to succeed without the constraints of public ownership.

Sir Peter Bottomley: I have been listening to my hon. Friend with interest. How is Channel 4's future brighter when it stands by itself if it is sold to a competitor? What is the gain?

Ben Everitt: I welcome the intervention. The gain is that the risk is not with the taxpayer; Channel 4 would be unburdening the taxpayer from the risk of future borrowing.

Channel 4 does have a bright future. It is a successful broadcaster in its own right, and it can stand on its own feet, but the risk of borrowing against the taxpayer is not something that the Government want to get into. Ultimately, for Channel 4 to flourish, the Government must step out of the way.

6.15 pm

Rosie Duffield (Canterbury) (Lab): Yesterday, Bectu, Equity, the National Union of Journalists, the Musicians' Union and the Writers' Guild wrote a joint letter to the Secretary of State urging her to reconsider the sale of Channel 4 and in doing so protect the jobs of thousands of freelancers and the livelihoods of at least 60 production companies. It is here I have to declare a significant personal interest, as my partner is a freelance documentary maker who, as well as working for the big streamers, such as Netflix, is currently directing a project for Channel 4. That gives me some insight into exactly what is at stake and the projects that might never have been made without the existence of this hugely important British institution.

Like many others, I was addicted to "Brookside" when growing up, but I also learned so much more about the wider world and the plight and lives of those I did not encounter in my daily life. What we watch on television has the power to change and shape our lives and to teach us about places and people we do not know, from the very funny and sometimes jaw-dropping insights brought to us by "Come Dine With Me" to the 2018 episode of "Dispatches" made by Avanti that revealed the homeless shelter residents employed by upmarket London retailers, yet unable to afford to rent a home.

As well as groundbreaking documentaries such as "For Sama" and truly global news that covers stories that others do not show us, Channel 4 and its filmmaking

wing Film4 have made so many astonishing dramas and films that we all know and love. We will all have our favourites—the dramas and scripts that stay with us, whether that is “Slumdog Millionaire”, “The Favourite”, “It’s a Sin”, “White Teeth” or “Indian Summers”, and the stars whose names are now so familiar to us: Dev Patel, Olivia Colman, Sacha Baron Cohen, Jonathan Ross and Julian Clary, to name just a few.

Then there is the comedy, which has just been mentioned. It has to be worth saving the home of “Father Ted”, “The IT Crowd”, “PhoneShop”, “Stath Lets Flats” and “Drop the Dead Donkey”. I realised as a younger woman that even women could get involved in comedy—who knew? “Absolutely”, “Smack the Pony”, Mel and Sue and “Derry Girls” are all now part of our cultural heritage, reflecting the best and often the most ridiculous and eccentric parts of British life. Channel 4 has always shown us our global connections, too, and not shied away from controversy or honesty about the less proud parts of our nation’s history.

As an institution started by Mrs Thatcher, and an incredibly successful British business owned by its viewers, Channel 4 deserves our pride and our praise. As a pioneer of programming from previously overlooked or forgotten groups, whether that is bringing the Paralympics into every home, the pink triangle season or “The Undateables”, there truly is no comparable broadcaster.

The Government have looked at this idea before and changed their mind, and there is absolutely no shame in doing so again if the Secretary of State listens to the voices of creatives, content makers, advertisers, unions and the British public, who overwhelmingly say that they do not want this. This is a successful and popular business currently costing the taxpayer nothing at all, but bringing enjoyment, enrichment and employment to so many, so let us think again. We should be proud that when other companies such as Netflix are under huge financial pressure, Channel 4 is thriving. It should be preserved as something unique and influential—a showcase for Britain’s creative best.

6.19 pm

Jesse Norman (Hereford and South Herefordshire) (Con): It has been a good debate, but I must say that I am not persuaded by many of the arguments that have been put forward, even by my distinguished colleagues, the former Chairs of the Digital, Culture, Media and Sport Committee, my right hon. Friend the Member for Maldon (Mr Whittingdale) and my hon. Friend the Member for Folkestone and Hythe (Damian Collins). It is a pity that the consultation was carried out in the way that it was. For a subject as vexed and contentious as this, it would have been more appropriate for at least the individual and organisational contributions to have been if not published, then at least digested in more detail and reflected.

If the Government are committed to exploring all the options, as has been recognised by many hon. Members on both sides of the House and as I think it is fair to say the Government have said, it is important that there should be an options paper to show which options have been considered. I was sad to see that the option of mutualisation has not been considered, because it has been effective in other areas. Welsh Water, which is in many ways the best of the water companies, is a mutual company limited by guarantee. I still hope that mutualisation will be considered.

The truth is that, notwithstanding some of the concerns that have been raised, Channel 4 is not a problem, and this measure comes at a time of severe and rising concern among people of this country about the cost of living, inflation and slow growth, and, in policy circles, about the loss of productivity. It is not just that Channel 4 is in rude health—although, as has been pointed out, revenues can go up and down over time—and has been sustained by its huge growth in digital advertising and its remarkable ability to reach interesting younger audiences; it is also that it is a highly dynamic organisation and a highly managerially innovative organisation. Therefore, for the Government to start to panic now about what its future advertising revenues may be is to rule out the possibility that diverse, interesting, engaging and innovative responses may be undertaken by this innovative team.

It is also strange for a Conservative Government to wish to sell off a business in the face of competition, rather than embracing and welcoming that competition and expecting the business to fight its corner. Let me remind the House that the intellectual property does not go anywhere. The fact that it is not trapped in Channel 4 does not mean that it does not reside within independent production companies, and that creates the dynamic tension and energy that has always sustained the sector.

I am afraid that I regard this as an unnecessary attempt to address a non-problem at a time of much wider concern. I refer hon. Members and the Government to the ancient Conservative principle: “If it ain’t broke, don’t fix it.”

Kevin Brennan: On the point about intellectual property, is it not interesting that the people behind some of the most successful productions in recent years, such as Michaela Coel, have refused to go to streamers such as Netflix because they insist on keeping the intellectual property, rather than letting it reside with the British small production companies, writers and creators who are responsible for it?

Jesse Norman: The hon. Member makes an interesting and fair point. Of course, if advertising revenue were so unattractive, the rest of the market would not be piling into it. At the same time, no matter who the owner of the enterprise will be, they will not be immune from wider inflation in programming costs. That is the nature of the business, and the question is what innovative and constructive responses will be undertaken by the management team to address that.

The plan is also bad economics from a public standpoint. The House will know that I spent a couple of years as a Treasury Minister, including during the period the Secretary of State talked about when all the support was given to the cultural sector, and I think it is bad economics. Even if the constraints were relaxed in the way that has been described, the revenue to be derived would be only, on a net basis, in the order of £500 million to £1 billion. My successor, the present Chair of the Digital, Culture, Media and Sport Committee, my hon. Friend the Member for Solihull (Julian Knight), has pointed out that that is a drop in the ocean compared with the wider problem. At a 4% interest rate, £500 million amounts to £20 million a year. Are we really going to give up all the control, energy, drive and impetus that exists in Channel 4 now, and the £200 million of directed programming into independent production companies that comes from

[Jesse Norman]

that, in return for the equivalent of a £20 million annuity? I do not think that makes any economic sense at all.

Overall, this is not a Conservative proposal. What matters in this case is the quality of the ownership. Channel 4 has an independent ownership structure; it happens to be owned by the state, but its ownership structure has made it resilient to political pressure and able to commission highly innovative, risky and interesting forms of programming, for which we celebrate it.

Robin Millar: Will my right hon. Friend give way?

Jesse Norman: I cannot, as I do not have much time, but I may take my hon. Friend's intervention later.

It is not a Conservative proposal to sell Channel 4, and even if it was sold now does anyone really think the value generated would not itself be a reflection of the proposed doom scenario in advertising revenues because of the way in which future cash flow works? The key issue here is that we should support an enterprise that itself supports independent production companies, many of them in our nations and regions, that proactively supports disabled people, that supports the Union, and that supports levelling up. That is what Channel 4 does.

I have no doubt that Channel 4 can be further improved and enhanced, and I see its Next Episode as a down payment on the next generation of its own thinking about how its model could be further leveraged and enhanced, but at the moment it is doing a superb job. We should not sell it; we should proceed and support it in any way we can in the future.

Mr Deputy Speaker (Mr Nigel Evans): I call Ben Bradley, who will be followed by the Front-Bench winding-up speeches, so those who have participated in this debate by making a speech should now make their way to the Chamber.

6.25 pm

Ben Bradley (Mansfield) (Con): It is a pleasure to take part in this debate on a topic I have not shied away from in the public discourse. In fact I found myself, not for the first time, in the middle of the usual Twitter storm when I tried to cut across the predictable hysteria about the announcement of this privatisation. There were accusations from the Opposition Benches that this decision was fascism in action, a ridiculous statement and nonsense—because, of course, the first thing every fascist dictator does is relinquish state control of the media. Once again the Twitter commentariat, wound up by certain Members on the Opposition Benches, proved that they are incapable of seeing any debate in sensible or nuanced terms and instead go for the clickbait headline. That is incredibly frustrating, so I am pleased to be able to debate this today.

I agree with my hon. Friend the Member for Solihull (Julian Knight) that we should do more privatisation. There would perhaps be less ability to create such hysteria if there were a steady drumbeat of measures from the Government on privatisation, driving the private sector and innovation.

Opposition Members have said that this is ideological. We have heard from Ministers and others on the Conservative Benches all the practical reasons why privatisation makes sense in many cases. I do not speak for the Government, but for me part of it is indeed ideological, however; I fundamentally believe the Government should not be involved in stuff they do not need to be involved in, and if the private sector can drive this kind of innovation, then it should. If the Government want to bring forward more measures to remove their hands from things they do not need to be involved in, I will welcome that. That is a challenge for the Minister, and perhaps she will take me up on it.

Before I take a more critical viewpoint it is important to say that Channel 4 will continue to play an important role in British life, because it makes some cracking content. I am not as old as my hon. Friend the Member for Milton Keynes North (Ben Everitt), but I go back a bit as well, and I like Channel 4. I remember the time in the '90s when "The Simpsons" was on at 6 o'clock on a Friday night; I used to sit down after my tea, and then there was "Malcolm in the Middle" and I would be allowed to stay up late until "Friends" had finished. That was my bedtime viewing on a Friday night. Those are all American programmes, actually, so they are probably not the best example. [Interruption.]

Lucy Powell: What about "The Word"?

Ben Bradley: Before my time, I'm afraid.

Channel 4 has also recently won the rights to a number of England games, and it is only positive to have more football on free-to-air television. All that should be celebrated, but the decision to privatise Channel 4 comes with mutual benefits. I strongly believe there is more potential for Channel 4 to compete and to make tremendous progress in the private sector. State ownership is impractical in the long run. If the channel is to find investors to find the cash to grow and expand and do more, it needs private enterprise. We have heard from Conservative Members why it is struggling to do that, which I will come on to again shortly.

Why do we continue to limit the growth and ability of a much-loved TV channel when we can easily sort it out? Questions need to be asked about why running media companies needs to be a role of Government. Government ownership has implications. Through being funded by advertising alone Channel 4 has a valuation of about 1% of that of Netflix, for example. Channel 4 clearly needs more funding if it is to compete in an ever-changing and growing market and if it is to expand. Where is that meant to come from? Its advertising funding is already falling, it cannot sell its content as other companies can, and its spending is declining. It is limited by Government ownership.

Members have pointed to good things Channel 4 does, and Opposition Members have jumped to the worst possible conclusions about the risks to all those things, but there is no reason why those good things cannot continue. Words such as "abolish" have been used, but Channel 4 is not going anywhere. I do not believe that those terms reflect what is happening.

To return to the money, if Channel 4 is to grow at scale and take full advantage of market growth and compete effectively, its only current option is to borrow, with that risk underwritten by the Government, and I

do not think that that is an option; nor should the taxpayer be asked to do that. That takes me back to my earlier point: do the Government need to do this, or could someone else do it? The answer is firmly that somebody else could.

Sarah Owen (Luton North) (Lab): On money, Channel 4 has directly invested £12 billion in the independent production sector since its creation. How much do the Government estimate that a privatised Channel 4 will invest in our production sector? If they cannot say how much, why are we taking this risk?

Ben Bradley: I thank the hon. Member for that intervention. She will have to ask the Government—I am not in the Government—but Channel 5 is a privately owned public sector broadcaster that invests a higher proportion of its revenue in small broadcasting companies than Channel 4, so that is a model that works. The shadow Secretary of State said that she felt that privatisation would stifle growth and innovation in British jobs. As I have said, examples exist in this country of privately owned public sector broadcasters who invest in those businesses and support our wider media sector. There are systems here that can work.

To me, this is fundamentally a much bigger debate: it is a question about the role of the state. If we want best value for taxpayers in not only financial value but freedom and choice, the state should not be in charge. If the state does not desperately need to run something and there is no practical reason why it should be the Government's job, it should not do so. We should approach this issue and others by asking ourselves: do the Government specifically need to do this, or could the market do it? Could the private sector do it? Could the third sector do it? Could the community do it? In the case of the media, all of the above already do it.

As a council leader, I have started by questioning whether we do things as we do because that is the best way or because we have always done it that way. It is often the latter, and I have found that much more can be achieved through change. The state should be prioritising its responsibilities to deliver public services, to create the environment needed for jobs and growth and to tackle the major geopolitical challenges in the world. It should not be running and working in the TV industry.

Once upon a time, the state needed to do so to promote choice and sustain something very new—there was just a handful of channels and the industry needed that support—but now, that could not be further from the truth. Mrs Thatcher set up Channel 4 to promote competition and create content that would not otherwise exist. We now have content coming out of our ears—content galore. In fact, I have got content in my pocket right now. We have got content everywhere. We do not need to be putting the state's energy into that—*[Interruption.]* Do not ask what kind of content. *[Interruption.]* Juicy. But there is no space any more where the Government needs to do that. It is brilliant to see a Conservative Government doing what I believe to be fundamentally Conservative things. I know that my right hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman) disagrees, but my version of this is that the sale underpins the conservatism that I believe in of a small-state, pro-enterprise, innovation-focused Government who are handing the reins over to the

creatives and innovators in the industry instead of sticking with state control because that is what we have always done. That is a good thing, and, as my hon. Friend the Member for Solihull said, more of it, please, Minister. I will take much more of it.

At a time when we want to be proud of our British institutions, let us have faith in Channel 4's ability to compete. Let us release it from state ownership and allow it to do so.

Mr Deputy Speaker (Mr Nigel Evans): We come to the wind-ups.

6.33 pm

Ian Murray (Edinburgh South) (Lab): In terms of my Register of Members' Financial Interests, may I say that my special adviser attended the television BAFTAs as a guest of Channel 4? I am told that I must declare that, so it is on the record.

Mr Deputy Speaker: Was I the only one who didn't go?

Ian Murray: I did not go either. I was not invited. Maybe after this speech I might get an invite next year, if Channel 4 is not privatised.

Let me say at the outset that this country is the best in the world at making television and films, that our broadcasters are the envy of the world and that Channel 4 is a much-loved part of that essential ecosystem. But why would that prevent the constant ideological attacks from the Government on those who contribute so much to our cultural Britain? We are proud of our public sector broadcasters and we should be backing them, not privatising them.

We have heard it said a lot today that Channel 4 is in great health, and it is. The public broadcasting model for Channel 4 works. As we have heard, in the last couple of years Channel 4 has produced record surpluses. And just for the information of the Secretary of State, who mentioned it again in her contribution, Channel 4 gets no public money. Those surpluses are invested back into the British creative economy, rather than into the hands of private shareholders. That investment, of course, is not limited to London, but goes to the entire country. Why? Because the regulations mean that it has to be. In fact, two thirds of the hours of original content commissioned by Channel 4 are produced in the nations and regions, boosting the creative economy in cities such as Glasgow. Over 400 roles at Channel 4, including senior commissioning decision makers, are based outside London, commissioning content from all over the UK for all over the UK. Perhaps another reason the Government want to privatise Channel 4 is because it is showing the Conservatives up by actually delivering levelling up far better than the Prime Minister could ever imagine. Some might say there is no reason that will not continue, but I am afraid that, with almost no conditions in the White Paper, there is little hope that it will.

Alex Sobel: My hon. Friend is making an excellent start to his contribution and his point is well made. Channel 4's 4Skills initiative is based in its headquarters in Leeds. It provides opportunities in television and film for young people from right across the regions and nations, including Scotland, the south-west and the

[Alex Sobel]

midlands, as well as Yorkshire. Without Channel 4, that would not exist. If it is privatised, there is no guarantee it will continue.

Ian Murray: Yes, it is the cultural levelling up that Channel 4 has been able to achieve as part of its own agenda.

Analysis by EY—Ernst and Young—which was mentioned by my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), estimates that over £1 billion would be lost from the UK's nations and regions if Channel 4 did not invest in the way that it does now, and that nearly 2,500 jobs in the creative sector would be at risk. That is independent analysis. It is not just those directly employed by the broadcaster who would be impacted, but the entire British creative economy. As my hon. Friend mentioned, it is a creative economy that relies on economies of scale, security of funding and a pipeline of skills.

In its lifetime, Channel 4 has invested—we have heard this already—£12 billion in the independent production sector in this country. Every year, it works with almost 300 production companies, many of which are tiny, as well as medium and large-scale production companies. This proposal does not just impact the big stars in London studios, but the camera operators, the crew runners, the location scouts and everything that makes a production happen in every single region and nation of the UK. The harsh reality is that a privatised Channel 4 would be commercially incentivised to buy in programmes from overseas instead of supporting new and innovative projects in the UK. Why? Because it costs a lot of money to make content and that would hit profits. Look at some of the big loss makers, such as the award-winning Paralympics coverage which has not really been mentioned in this debate. It is a huge loss for Channel 4 in terms of its financial viability, but it does it and it does it incredibly well.

If I could reflect on the contribution made at the end by the right hon. Member for Hereford and South Herefordshire (Jesse Norman), he made a critical point. Not only did he say that there are no options papers on where the future of Channel 4 could be beyond privatisation, but he hit the nail on the head. A lot of the contributions from the Government Benches have been about the headwinds that are just about to hit Channel 4. Those headwinds will hit Channel 4 whether it is in the public sector or private sector. It is hardly a good selling point to say, “We want to privatise one of our national assets to ensure it is not hit with these headwinds,” when a commercial broadcaster would cut the very things that Channel 4 does so well in times of hardship.

Damian Collins: The hon. Gentleman implied that commercial companies would look to buy in programmes, rather than make them. Why is it, then, that most TV companies that have their own production studios are massively investing in making more programmes? ITV, BBC, Sky and Netflix are. Everyone recognises that the way to make money in the TV market today is to make programmes to sell, not buy in from other people.

Ian Murray: Yes, but Channel 4 puts all those issues on the table in terms of investing directly in production. Channel 4 provides that shop window. If you say to a

production company in Scotland which makes “Location, Location, Location”, “Would you like to make that for Channel 4, but you don’t get the IP?” either the costs will shoot up or they will not make it at all. This model works. It is part of the ecosystem. Production in places such as Leeds, Salford and Scotland is working so well at the moment because we have the BBC, ITV studios and Channel 4, all different parts of that ecosystem working together, so we have the economies of scale, the skills and the ability for people to be able to invest, because they know they can make great shows and great films in those places.

Let me reflect on some of the contributions that have been made this afternoon. The Father of the House kicked us off, and was absolutely correct to say that Channel 4 does not want privatisation. The Secretary of State is essentially saying, “We know best, so we will do to Channel 4 what we think is best.” The Father of the House concluded by saying, “stop messing it around”. That is right. Why try to fix something that is not broken?

My hon. Friend the Member for Cardiff West (Kevin Brennan) in his own wonderful style did a superb “Yes Minister” characterisation. Channel 4 does not have a problem to solve, but the Government are trying to find one; he was right to call it “Parliamentary Pointless”.

I will reflect on the impacts on Scotland later in my speech, but the hon. Member for Ceredigion (Ben Lake) was right to say that privatising Channel 4 will have a huge impact on the Welsh production sector. With the BBC investing in Cardiff and Channel 4 putting productions into the city, the sector in Wales has flourished in a way that it did not before.

The hon. Member for North Antrim (Ian Paisley) is right to say that Channel 4 is an enabler. We need the big production companies to be able to make programmes in order to seed smaller production companies and the entire industry. If we do not have those productions—the big returning drama shows—it is difficult to maintain a production company in an area, which Channel 4 does so well.

The hon. Member for Aberconwy (Robin Millar) said, “D’oh!”—maybe the first person to mention Homer Simpson in the Chamber, although I am not sure whether he was impersonating Homer Simpson or recalling the motto of Downing Street.

The hon. Member for Milton Keynes North (Ben Everitt) told us that he watched Channel 4 at night when he was younger, but that he has never watched “Naked Attraction”. Mr Deputy Speaker, he needs to come to the House and correct the record, because nobody believes him! [Laughter.]

My hon. Friend the Member for Canterbury (Rosie Duffield) reeled off a list of wonderful television programmes and films that Channel 4 has made over the years, including “Drop the Dead Donkey”, or, as it was rebranded last week, “Vote of No Confidence”.

The hon. Member for Mansfield (Ben Bradley) also tried to create a problem that does not exist. Along with a number of contributors this afternoon, he said that Channel 4 should be released from its shackles to be able to borrow. Well, it has not borrowed or required to borrow in 40 years. Maybe it will not require to borrow in the next 40.

Let us not forget about film, as this is not just about the impact of privatisation on television. As we heard from my hon. Friend the Member for Manchester Central, the broadcaster is the single largest investor in British film through Film4. We can see how wonderful some of those films have been, as they have won BAFTAs every single year and have really put the British film industry on the map. I think that gets to the heart of why so many people are outraged by the Government's proposals.

Our great nation punches so well above its weight when it comes to our cultural impact on the world. There are few better examples of that than the British stars of screen—big and small. Many of our most famous faces got their big break through Film4 productions, many of which were huge risks to Channel 4, but because of its funding model and way it was set up, it was able to take those risks and some of those productions were hugely successful. I think of Ewan McGregor, Olivia Colman and Dev Patel, who we have heard about already, and film-makers including Danny Boyle and Steve McQueen. It is little wonder that so many stars, film-makers and directors have come out against and condemned the Government's plans.

What of training, skills and jobs? We have heard from my hon. Friend the Member for Leeds North West (Alex Sobel) on this issue. Let us not beat about the bush: getting into the television and film industry is incredibly difficult for those who are lower down the socioeconomic scale. Channel 4 has been at the forefront of helping young people to get into the industry through 4Skills, which gives 15,000 young people a year opportunities to get into the sector. That costs money and is not the kind of thing that a commercial broadcaster will do. It has an industry-leading production training scheme through its supply chain that focuses solely on social mobility. That is all at risk. Why? Because it is not protected in the White Paper.

The move to sell off Channel 4 will have a particular impact on the Scottish creative economy. Since 2007, Channel 4 has spent more than £220 million on Scottish productions—about £20 million a year in recent years. It is the key commissioner from Scottish independent production companies and other Scottish broadcasters such as Scottish Television. Channel 4's features and daytime team, its largest creative team, is now based at its Glasgow office. The broadcaster's emerging indie fund and its indie growth fund have provided support to fantastic Scottish production companies such as Black Camel Pictures, which was responsible for the BAFTA-winning "Sunshine on Leith".

And who can forget "Location, Location, Location", one of Channel 4's most successful shows, which is produced by IWC, a Scottish production company? Maybe the Prime Minister might need Phil and Kirstie's help in finding a new place soon. I hope so. Even TV's most famous house hunters might struggle to find a place with a built-in karaoke bar, but that is the challenge.

Channel 4's influence is not just on Scottish television. Film4 has produced memorable Scottish hits—perhaps none more so than "Trainspotting" in my home city, even though it did not portray Edinburgh in the best of lights. Film-making brings in £600 million a year in UK-bound tourism, right across the United Kingdom, although I am not sure that "Trainspotting" did Ladbroke's toilets any good. Channel 4 has given us generation-defining entertainment, and it will again.

I am grateful for the SNP's support for our motion. The hon. Member for Ochil and South Perthshire (John Nicolson) made an excellent speech, but I must say that Channel 4 is also under threat from the SNP's plans for independence. It proposes to put an end to Channel 4 in Scotland, because it would be independent, and it set out in 2014 that it would do the same for the BBC. What are its proposals for Channel 4 and the BBC? Governments are attacking our public sector broadcasters because those broadcasters hold the powerful to account, whether they like it or not. They are attacking the very principle of a UK-wide public service broadcaster delivering for diverse audiences all over the country. None the less, we are grateful for the SNP's support for the motion.

Today, though, it is for Conservatives to make their decision. As we have heard, 91% of respondents to the Government's own consultation made their opposition to the proposals clear. Those who oppose the proposals include the advertisers that pay for advertising on Channel 4 because of the diverse audiences that it produces, which other broadcasters cannot reach. If the Secretary of State is looking for a "Countdown" of Conservative Members who do not support her proposals, I say to her, "Three from the top, two from the middle and one large one."

Will Conservative Members vote to sell the broadcaster to a private entity that is likely to centralise creative output in London, or will they vote to continue a model that invests in our creative economy in their very own constituencies? Will they sell a cornerstone of modern British culture to the highest bidder, or will they continue a great British institution that proudly exports our culture around the world?

The country would be grateful, the industry would be grateful and viewers would be grateful if the Secretary of State scrapped this privatisation. In the words of Mrs Doyle from another of the channel's famous shows, "Go on, go on, go on."

6.47 pm

The Minister for Media, Data and Digital Infrastructure (Julia Lopez): I welcome the chance to close this debate on the importance of our much-loved cultural institutions, the future of UK broadcasting and the plan to sell Channel 4. I thank hon. Members for their contributions and thoughts.

The motion rightly recognises the role that our broadcasters play in bringing our nation together. There is no better example than the absolutely extraordinary coverage of Her Majesty's platinum jubilee celebrations. I echo the Secretary of State's tribute not only to our fantastic DCMS officials, the royal household and our broadcasters for the jubilee coverage, but to every person who participated in the exceptional showcase of British talent, from the glorious eccentricity of the pageant and the precision of the military parades to the musical power of Saturday's concert and its innovative production, which included breathtaking light displays around Buckingham Palace, complete with drone corgi. It was a magical, delightful, magnificent kaboom of creativity.

I confess that I read the motion with a wry smile, because the hon. Member for Manchester Central (Lucy Powell) has been teasing and tantalising us with Labour's patriotic pitch in the media for a couple of weeks now. Today, we saw it on the Floor of the House.

[Julia Lopez]

During the glorious jubilee, the penny finally dropped for the Opposition that British people actually feel rather proud of our country. The hon. Lady has flogged to her leader the idea that the privatisation of Channel 4 is just the wedge issue that Labour needs to convince voters, after five years of campaigning for Comrade Corbyn to be Prime Minister, that it is the party of our most cherished institutions. “We are the patriots!”, she cheers from the Front Bench.

The trouble is that our plan for Channel 4 is not some ideologically driven attempt to dismantle all that is great about British broadcasting, no matter how hard the hon. Lady has tried to mischaracterise it today. It is part of an ambitious and considered strategy to ensure that British public service broadcasters not only survive in a very rapidly changing market, but grow and continue to be relevant to British and global audiences for many years to come, producing the kind of content that delights and informs viewers, underpins our cultural and democratic life and, critically, generates economic growth across our country. The structure of Channel 4, the sustainability of the licence fee and the diminishing value of linear prominence are all issues that have been knocking around for many years, but, as has been discussed at length today, market changes have injected real urgency into this debate, and we will not allow the can to be kicked down the road any further when the future of our public service broadcasters is at stake.

Kevin Brennan: I agree with the Minister on prominence, and in fact the Government should have acted sooner, as I called for them to do several years ago. She talks about kicking the can down the road, but what will happen after 10 years under her plans? Is she not kicking the can down the road for the future of this public service broadcaster by saying that in 10 years’ time anything can happen?

Julia Lopez: I can account for what the Secretary of State and I have done within our roles, and I think we have pushed forward an extremely ambitious set of reforms in the short time we have been in DCMS. This is an exciting time to be in public service broadcasting. I always thank the hon. Gentleman for his contributions because I know he has expertise in this field.

It is this Government and this Secretary of State who have decided to act, bringing forward a comprehensive package of reforms to support our PSBs through the first broadcasting White Paper in 20 years. It is the next step in a long history of support for our creative industries. It was a Conservative Government—under Margaret Thatcher, no less—that established Channel 4 in the 1980s to stimulate independent production and distinctive content. It has worked, and then some. It was a Conservative Government that encouraged Channel 4’s move to Leeds to spread the benefits of the creative sector beyond London. It worked. And it is a Conservative Government that are tackling the limitations of Channel 4’s ownership structure in this new broadcasting landscape, redirecting sale proceeds into a creative dividend to address the skills challenges of now.

Let me just touch on those limitations, because it is important to remind the House of them. Channel 4 is a fantastic broadcaster that has great management, innovative

programming, high quality journalism and a diverse audience, but it is uniquely challenged in two ways. First, the publisher-broadcaster restriction means that it cannot own its intellectual property, so it finds itself reliant for 74% of its income on linear TV advertising revenues. Such revenues have fallen 31% sector-wide between 2015 and 2020, and that trend is set to accelerate as audiences move online and change their viewing habits.

Sir Peter Bottomley: Are those the most recent figures that the Department has? Many of us have been asking Channel 4 what its revenues were in the year that finished last year, and the growth in its digital advertising might also be something that the Minister would like to share with the House.

Julia Lopez: We would be very keen to get more information on Channel 4’s business at the moment, as it has been rather difficult to extract.

Secondly, should Channel 4 need to borrow money to keep up with the content investment of rivals, that borrowing would sit on the public balance sheet. In the light of those fundamentals, we are not going to apologise for asking the serious and responsible question as to whether this ownership model and structure is the right one for today’s broadcast challenges. That is something that the Secretary of State outlined today, and it has been expertly set out by my right hon. Friend the Member for Maldon (Mr Whittingdale).

I understand why hon. and right hon. Members want reassurance on this plan, and I want to provide it, but before I turn to some of the points raised this afternoon, I want to tackle some of the outlandish assertions in the article by the hon. Member for Manchester Central in *The Yorkshire Post* today. She claims that our selling Channel 4 could

“kill off independent film production”.

Let us set aside the fact that we believe any new owner would want to maintain Film4, for all the reasons she cites on its value. She completely underplays the strength and depth of the UK’s booming film industry, ignoring all the other players who support it, including the British Film Institute, with its own film fund, the UK Global Screen Fund, into which the Government channel £21 million to promote and distribute UK film around the world, and the fact that our film sector is doing so well that it cannot keep up with the demand for skills and studios.

The hon. Lady says that the sale of Channel 4 will lead to the move of more jobs back to London. I remind her that the BBC has committed to increasing its spend across the UK, that non-London production spend will remain in Channel 4’s remit and that ITV, Sky and Channel 5 all have large operations beyond the capital. There are so many centres of excellence outside London in our production sector that there are huge incentives to keep investing in our regions. She goes on to denigrate channels that are motivated by what she appears to see as a dirty word, profit, over public service. I wonder if she understands that those two things are not mutually exclusive. ITV and Channel 5 are all privately owned public service broadcasters. Indeed, since Channel 5’s sale to Viacom, it has gone from strength to strength, producing some fantastic, distinctly British content. As detailed in the White Paper, she will also understand that Channel 4 will remain a public service broadcaster, with quotas for independent production

and the remit protected. We believe that getting private capital into the organisation will allow it to commission more, not less.

I now turn to the contributions of others. My hon. Friend the Member for Folkestone and Hythe (Damian Collins) made the excellent point that Channel 4 itself has suggested a joint venture as a way forward, which would change the relationship with the independent production sector. Implicit in that is that the status quo cannot hold because of the changing dynamic of the market—the strong headwinds he cited—with the shift to online, inflation in production costs and so on.

The hon. Member for Ochil and South Perthshire (John Nicolson), in his waspish speech, suggested that we are trying to make Channel 4 like Netflix or Amazon. That is not the case. We are saying that those businesses are changing the market, and we need to equip Channel 4 to deal with that.

The Father of the House, my hon. Friend the Member for Worthing West (Sir Peter Bottomley), suggested that we the taxpayers, as owners, should listen only to Channel 4 on whether it wants to change. I refer him to the absolutely fascinating contributions from panellists to the Lords Communications and Digital Committee inquiry on the licence fee, and the challenge they cited about small-c conservatism in media organisations.

My hon. Friend the Member for Aberconwy (Robin Millar) touched on this in his superb speech, including on the reticence we often find in organisations about changing and trying to come to terms with some of the challenges they face. I think there is an urgency to this debate on sustainability that we are taking on. He also mentioned Channel 4's vulnerability to shocks because of its structure.

I enjoyed the speech of the hon. Member for Cardiff West (Kevin Brennan). It was fun, but it was a wholly inaccurate artistic interpretation of the advice of officials who have provided extensive analysis of some of the market dynamics that they think provide a real challenge here. Incidentally, I sometimes find myself imagining alternative scenes in the Opposition offices, with the shadow Secretary of State saying, “Do you know that Channel 4 is the only broadcaster capable of keeping the film, TV and creative industries and the regions going, and also producing content that audiences actually like?”

The Chairman of the Select Committee, my hon. Friend the Member for Solihull (Julian Knight), recognised the importance of getting private sector capital into the business to allow it to grow. I assure him that we want Channel 4 to continue to produce news. It is part of a genuine suite of support for the creative economy. The hon. Member for Luton South (Rachel Hopkins) reduced these critical media reforms to a “petty vendetta”, and I can assure her that that is not the case. Channel 4's sale is part of a package of media reforms that the sector has asked for.

As my right hon. Friend the Member for Maldon pointed out, it is in our interests to see Channel 4 thrive. It is because of those interests that we want to drive these reforms, and we believe that Channel 4, in thriving, can invest more in content. He talked about the cut in content spend that we have seen over the last year or so, and he also highlighted the superb Lords report. My hon. Friend the Member for Folkestone and Hythe gave an important account of the trends in play and the need for a radical reset of Channel 4's role.

The hon. Member for Canterbury (Rosie Duffield) talked about the independent producers, and I want to reassure her that we also value the distinctive content and see that as part of the sale process. I also want to assure my right hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman) that we have digested the consultation responses fully. We put a lot of departmental resource into doing that.

In so far as there is any ideological drive, I was interested in the challenge from my hon. Friend the Member for Mansfield (Ben Bradley)—a deeply unfashionable view in this House, it seems, too often—that private sector capital going into a business is a good thing because it can grow businesses, create jobs and drive innovation. Fundamentally, it can also provide content of the kind that audiences—too little discussed, I think, in this debate—love.

The right buyer for Channel 4 will be one that shares our ambition for the business and our belief in what makes it special. As I say, I note the concerns of the hon. Member for Canterbury about its distinctive content. I want to assure her that we are not trying to change the distinctive role Channel 4 plays; we are seeking to give it the best set of tools and the freedom to flourish and thrive long into the future. That is why the Government will move ahead with plans to move Channel 4 out of public ownership to become a free-to-air, privately-owned public service broadcaster.

The Government today have been accused of cultural vandalism, including by the hon. Member for Warrington North (Charlotte Nichols). Let me say that the greatest act of cultural vandalism would be to let our public service broadcasters wither on the vine due to the small-c conservatism of the Opposition or an attitude that there is nothing to see here for our PSBs, particularly given the jobs and the values at stake. We want our public service broadcasters to have a long-term future and, through our media Bill and our broadcasting White Paper, we have the plan to deliver just that.

Question put and agreed to.

Resolved,

That this House supports the UK's much loved cultural institutions, which are celebrated around the world while creating jobs and growth across the country; in the Jubilee year supports world-renowned British broadcasting which brings the country together in celebration; believes that the Government should reverse its decision to sell Channel 4 as it will undermine the UK's world leading creative industries and the delicate ecosystem of companies that support them; and calls on the Government to ensure that, if the sale does go ahead, Channel 4's headquarters continue to be based in Leeds and its remit ensures that it continues as a public service publisher-broadcaster, commissions over 50 per cent of its content outside London, continues its significant investment in new independent British films and funds quality news content which is aired at prime time.

Business without Debate

DELEGATED LEGISLATION

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

ROAD TRAFFIC

That the draft Goods Vehicles (Licensing of Operators) (Amendment) (No. 2) Regulations 2022, which were laid before this House on 11 May, be approved.—(*Amanda Solloway.*)

Question agreed to.

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

PREVENTION AND SUPPRESSION OF TERRORISM

That the draft Terrorism Act 2000 (Code of Practice for Examining Officers and Review Officers) Order 2022, which was laid before this House on 11 May, be approved.—(*Amanda Solloway*.)

Question agreed to.

PRIVILEGES

Ordered,

That Chris Bryant be discharged from the Committee of Privileges and Ms Harriet Harman be added.—(*Amanda Solloway*.)

Portishead Railway

Motion made, and Question proposed, That this House do now adjourn.—(*Amanda Solloway*.)

7 pm

Dr Liam Fox (North Somerset) (Con): Here we go again. Portishead railway has become something of a perennial favourite of those Members who flock to the Chamber to hear these important issues debated, but I will recap for those who have not caught up on the politics of the saga.

The story so far is that we had a Labour Government, for whom our project met all the criteria—environmental, transport and economic—yet no progress was made. We had a Conservative-Lib Dem coalition Government, for whom the project met all the criteria and very little progress was made. We now have a Conservative Government and more progress has been made, but much too slowly.

Why do we need the Portishead rail link at all? Because congestion across the region costs £300 million a year and causes major delays every day, particularly at junction 19 of the M5. Traffic queueing times are increasing and are predicted to grow by 74% by 2036. The alternative to this programme would be a major new bridge, which would cost a minimum of £250 million—and we all know how these numbers get inflated—and would not be deliverable until 2030 at the earliest, for which we can read “not in our lifetime.” Alternatively, Portishead and its line would be open by 2025.

The environmental cost of the increased traffic congestion is considerable, so improved rail transport will clearly have enormous benefits, but that is by no means all. When looking at the Government’s levelling-up agenda, we have to recognise that there are areas within affluent parts of our country that are themselves much poorer. North Somerset, as a constituency and as a district, is extremely affluent, but it is not uniformly affluent. Pill in my constituency has a high index of deprivation, and it will have a station on the new line.

The question of growth and jobs is one of the main issues for the railway line. Portishead is a centre of innovation and creativity with numerous successful and burgeoning small businesses, but labour is at a premium in my constituency. Unemployment is at 1.6%, compared with the national average of 3.8%. The rate in neighbouring constituencies is: Bristol East, 4.4%; Bristol South, 4.3%; and Bristol West, 4%. They are all above the national average.

The line is not just about improving the convenience for people who live in Portishead and work in Bristol; it is also about giving people in those areas of higher unemployment access to areas where they can build businesses, provide new jobs and be hugely involved in the Government’s efforts to increase economic activity.

Karin Smyth (Bristol South) (Lab): I am disappointed to be debating this subject again, but I am pleased to support the right hon. Gentleman. Reopening the passenger line both ways is important, as he says, but opening new stations near Parson Street and Bedminster in Bristol South is crucial to pursuing low-carbon forms of transport and to supporting the new housing that is coming forward. I am keen to work with him in the interests of the entire Bristol and North Somerset area, and I urge the Government to do more.

Dr Fox: I am extremely grateful to the hon. Lady, who makes a very good point, which augments what I was saying. Housing is being built in Bedminster, for example. Where are people going to go to work? We need high-income, good-quality jobs. The businesses we have in Portishead—the spin-offs from avionics, for example—provide those kinds of jobs. The problem is: how do we get people in those areas of high unemployment and where the new housing is going to be built to where the jobs are? The danger at the moment is that not only are we unable to do that, but companies are unable to grow because of the restrictions on labour availability, they move to somewhere else and we lose the wealth from our region.

As ever, it all comes down to money. In 2017, the scheme budget was set at £116 million, assuming a line opening date of December 2021 and excluding a new requirement to fund operational costs. Following three separate Department for Transport-directed delays to the development consent order approval—one of which we debated here only last November—the pandemic, and unprecedented inflationary and market pressures, the revised forecast at completion was £210 million in December 2021. Following cost mitigations amounting to £47 million, the latest forecast sits at £163 million. After further increased regional budget contributions, that leaves a funding gap of £26.82 million, comprising £15.58 million in capital and £11.24 million in revenue, which we have requested the DFT to cover.

Just in case anyone has forgotten our debate in November, I remind them that I said then:

“A six-month delay, as suggested by the Secretary of State’s office, would have a potentially devastating impact. It is important that we understand whether this six-month figure was simply plucked out of the air and whether a shorter delay would deal with any reservations from the Department.”

That mattered a great deal to us. I also said:

“It has been assessed that the impact on cost beyond 14 January 2022 will be in the order of an additional £13 million at minimum”.—[*Official Report*, 26 November 2021; Vol. 704, c. 653.]

I warned in November that the extra six-month delay for what I believe was an unjustified environmental assessment, or other similar delay, would put pressure on the partners in the project, who simply would not be able to find extra money of that order.

What am I asking the Minister for tonight? First, I am seeking agreement to an additional £15.58 million—that is the capital funding provision. Secondly, I am asking for agreement to implement the previously proposed governance structure, with the DFT taking on the client role. If that is not agreeable, incidentally, the funding gap increases by another £14 million. Thirdly, I am asking for agreement to work with North Somerset Council and the West of England Combined Authority to find a solution to fund the forecast additional MetroWest 1 operating subsidy cost of £11.24 million, recognising that North Somerset Council, a small unitary authority, and WECA have no funding streams for additional revenue.

The Minister recently indicated that there would be no more money in the Department, but the latest ministerial position ignores key cost drivers that have arisen in the interim period, since 2017, which are largely outside the control of the project team. Those include unbudgeted operational costs; requirements and inflationary costs, linked to associated programme delays, arising from the

Department’s development consent order—that adds £28 million; DFT-led changes to the project procurement strategy, which add £6.1 million; market price increases, which are outside the control of the Government and add £39.5 million; and of course the pandemic, which adds an estimated £4.8 million.

Those numbers are tiny when we are talking about projects such as HS2. Let me remind my hon. Friend the Minister about the benefits that the project will bring that fall within the full aims of Government policy. It will significantly reduce travel time from Bristol to Portishead to 23 minutes, compared with 60 minutes-plus—on a good day—by bus and an optimistic 50 minutes-plus by car, and greatly improve people’s access to employment and services, as I outlined. It will bring more than 50,000 people in Portishead and Pill into the direct catchment area of a railway station for the first time in more than 60 years.

Regeneration of our railways has been a key aim of the Government. This project will deliver 1.2 million additional rail journeys and £7 million of revenue within 15 years of opening. It will produce benefits to the regional economy of £43 million gross value added per annum. It will remove 13 million car kilometres annually by 2041. It will bring new employment opportunities regionally and bring the benefits of economic growth to Portishead and wider North Somerset. There will be sustained environmental benefits, and the major improvement in travel to work times will bring associated personal quality of life and community benefits. What is not to like about this project?

One more push from my hon. Friend the Minister and her colleagues and we can get this project across the line. What could give our region a better boost in this time of uncertainty than to put all the worries behind us, once and for all? I look to my hon. Friend for the push.

7.11 pm

The Minister of State, Department for Transport (Wendy Morton): I congratulate my right hon. Friend the Member for North Somerset (Dr Fox) on securing this debate on the future of Portishead railway. He has been a passionate advocate of reopening the railway from Bristol to Portishead for many years—since long before I became the Rail Minister. I recognise that the project has strong support in his constituency and I am grateful to him for setting out its benefits this evening, as well as some of the challenges.

John Penrose (Weston-super-Mare) (Con): The Minister is right to congratulate our right hon. Friend, my neighbour and co-MP for north Somerset, but it is not just his constituency that is affected. Right next door in my constituency, many people are in favour of the project, not only because of the reductions in the environmental impact of all those trips to and from Bristol, but because of the levelling-up impact, particularly on less well-off places such as Pill and others in our area.

Wendy Morton: I hear my hon. Friend’s comments and recognise that the project runs beyond the boundaries of the North Somerset constituency.

The proposal is now part of MetroWest, a third-party metropolitan rail programme promoted by West of England Combined Authority and North Somerset Council. The Government have already committed funding

[Wendy Morton]

support of £31.9 million to close the funding gap for the project to reopen the Portishead line to passengers, and a further request from the joint promoters for £15.6 million of additional funding was recently received. I assure my right hon. Friend the Member for North Somerset that the case is being carefully considered by the Government. The Department will continue to work closely with WECA, NSC and Network Rail counterparts on the approval process for the scheme's full business case.

I want it to be clear that I fully recognise that the scheme is of great importance to my right hon. Friend's constituents and to the wider Greater Bristol area. The congestion on the A369 between Bristol and Portishead, with journey times of about an hour in peak periods, is a barrier to travel. Reintroducing a rail connection would bring the communities of Portishead and Bristol closer together, improving work opportunities for local residents and for leisure and tourism. It would also bring people closer to the rest of the country.

The funding is subject to the granting of a development consent order, which is a statutory requirement, and a satisfactory full business case. The full business case will also need to progress through my Department's rail network enhancement pipeline approval process, a framework by which all publicly funded rail enhancements are considered.

My right hon. Friend will be aware that, with regard to the scheme's development consent order, the Secretary of State issued a "minded to approve" decision on the 19 April. This sets out that the Secretary of State is minded to make the order, subject to receiving further information and evidence regarding the costs and funding of the project, with the reasons for that set out in the letter. The Secretary of State has requested that this information be provided by 30 November. To allow sufficient time for this information to be provided and for the Secretary of State to consider it, the Under-Secretary of State, my hon. Friend the Member for Witney (Robert Courts), issued a written ministerial statement on 19 April extending the deadline for the DCO application to 19 February 2023. Should satisfactory information be provided ahead of November, the Secretary of State will look to issue a final decision on the DCO application as soon as possible and ahead of the February 2023 deadline.

It is important to note that I am not involved in the decision on this application, but I am sure my right hon. Friend will understand that this is still a live application under consideration in my Department. I am therefore unable to take part in any discussion on the pros and cons of the development consent order itself, to ensure that the process is correctly followed and remains fair to all parties.

I must also stress that the development consent order process is a statutory requirement under the Planning Act 2008. The process for considering an application must follow the legislative requirements, and the Secretary of State can request any further information that he considers necessary to allow him to undertake this consideration and to fulfil his statutory duties.

More broadly, with regard to the Government's commitment to rail schemes, we have committed to levelling up the country, and reconnecting communities to the railway is central to that ambition.

Karin Smyth: I have been a Member of Parliament for only seven years. I do not recall, off the top of my head, how many Ministers I and the right hon. Member for North Somerset (Dr Fox) have appeared before on this very issue. A range of reasons have always been given as to why this is not happening. Last year, we understood that there were some environmental questions to be answered. I gently say to the Minister and her officials that each time a new Conservative Minister comes to the House with a new range of hoops to jump through and a new range of excuses as to why our part of the country does not have this commitment, which we long believed we had, the worse it is for the Conservative party.

Wendy Morton: As I set out earlier, I can assure the hon. Lady and my right hon. Friend that the Department—this Government—will continue to work closely with the West of England Combined Authority, with North Somerset Council and with Network Rail counterparts on the approval process for the scheme's full business case. I give that commitment this evening.

Dr Fox: As Secretary of State, I was rather too fond of saying to my officials that the difference between a doctor and a civil servant was that, for a doctor, a good outcome was that the patient got better, and for a civil servant, a good outcome was that the patient was treated for a very long time. It seems to me that we are in one of these examples where the process is almost becoming an end in itself. We actually need results. I entirely understand the point that my hon. Friend is making about the DCO and the fact that she cannot comment on it, but what we need is a decision to be brought to a conclusion as soon as possible. We need a real railway for real jobs and for real environmental benefits. I understand the financial constraints and would not be calling for greater overall spending, but within the budget that exists in the Department for Transport we must have movement, because the delay that we are facing is becoming intolerable.

Wendy Morton: I appreciate what my right hon. Friend is saying, but obviously there is a process that I and the Department must go through.

When it comes to the Government's commitment to rail, I gently remind colleagues in the Chamber that, as part of our levelling-up agenda, in January 2020 the Government pledged £500 million for the restoring your railway programme, to deliver on our manifesto commitment to start reopening lines and stations. That investment is about reconnecting communities across the country, regenerating local economies and improving access to jobs, homes and education.

We reopened the Dartmoor line in November last year, restoring passenger services between Exeter and Okehampton for the first time in 50 years. That has been a great success, with passenger journeys double the anticipated level. In May this year the service frequency on the Dartmoor line was doubled so that passengers now have an hourly service. That followed further infrastructure work that has delivered an improved journey time of around 35 minutes between Okehampton and Exeter St David's. The line opened two years ahead of schedule and significantly under its approved budget.

The Government also announced, in January 2021, £34 million of funding to progress plans to reopen the Northumberland line to passenger services between Ashington and Newcastle, with six new stations and a service of two trains an hour by the end of 2023. I gently say to the hon. Member for Bristol South (Karin Smyth) that those are some strong examples of this Government's commitment to investing in the railways.

The Government also recognise the importance of the Greater Bristol area as one of the UK's most productive and fastest growing city regions, which is why we continue to make significant investments there. For example, on Friday 10 June funding of £95 million for phase 1 of the Bristol Temple quarter regeneration programme was announced. That investment will transform access to Bristol Temple Meads station, delivering new and improved station entrances to the north, south and east, with related transport interchange and active travel provision. The new entrances will make it much easier to reach the station from the city centre and surrounding neighbourhoods, and the eastern entrance will connect to the Temple quarter—one of the largest urban regeneration sites in Europe and soon to be home to the University of Bristol's enterprise campus.

That project will complement wider investment in the regional and national rail network already being made, and the Temple Meads station upgrade will unlock transport to south Wales and the south-west of England, significantly increasing passenger capacity and improving connectivity between Bristol, Cardiff and London. This work is complemented by the recent refurbishment work at Bristol Temple Meads station, which will provide better passenger facilities and improved accessibility.

The Government also invested £132 million in the remodelling of the railway in the Temple Meads area, which was the largest enhancement project on the Great Western route in 2021. That work will mean more regular and reliable trains with more seats coming through the station. The new railway layout is also a key enabler of the MetroWest scheme, which is allowing new local services that improve connectivity between Bristol and its neighbouring communities, enabling people across the south-west and south Wales to benefit. A new parkway station at Portway on the MetroWest line towards Severn Beach, which received £1.7 million of backing from my Department's new stations fund, is also being built. The station will serve both the adjacent park-and-ride site and local residents, and is expected to open in December this year.

To conclude, the Government are committed to improving rail in the wider Bristol area as part of the levelling up of the west of England. I listened carefully to what my right hon. Friend the Member for North Somerset set out this evening, and we will continue to support the West of England Combined Authority and North Somerset Council to develop their business case for the reopening of the railway between Bristol and Portishead. We fully acknowledge and appreciate the importance of this project to his constituency.

Question put and agreed to.

7.24 pm

House adjourned.

Westminster Hall

Tuesday 14 June 2022

[SIR CHARLES WALKER *in the Chair*]

Inshore Fishing Fleet

9.30 am

Anthony Mangnall (Totnes) (Con): I beg to move,
That this House has considered the Inshore Fishing Fleet.

It is a pleasure to serve under your chairmanship, Sir Charles. I should declare my interest as treasurer of the all-party parliamentary group on shellfish aquaculture and point the House towards my entry in the Register of Members' Financial Interests.

There can be no more picturesque sight than that of our fishermen going about their day's work, and for residents of and visitors to south Devon's coastal communities, it is a regular occurrence to see nets cast, pots raised, boats launched and catches landed. That is undoubtedly a familiar view across the coastline of the United Kingdom, and one that presumably has changed very little—with the exception of new technologies—over the past few centuries.

I shall focus my remarks on the inshore fishing fleet, which I am defining as vessels generally below 24 metres within the 12-nautical-mile limit, and based on the value of the vessel and gear type. I am fully aware that there is no specific definition of the inshore fishing fleet, and that one of the few benefits of the common fisheries policy was not to provide an exact explanation or definition, but to include a 10-metre dividing line for vessels under that, which were removed from having sizeable administrative burdens placed upon them. Colleagues might wish to expand on that definition.

As ever, I believe that there is significant opportunity for our coastal communities to do more for our fishermen, and levelling up is about not just creating new opportunities, but shoring up existing and established sectors such as the fishing industry. If there is to be any purpose to the debate, it is to raise awareness and to call for greater clarity and co-operation between the Department for Environment, Food and Rural Affairs, the Marine Management Organisation, the Maritime and Coastguard Agency, the Association of Inshore Fisheries and Conservation Authorities—the IFCAs—and our fishermen, as well as to highlight the legitimate concerns held by the sector about some of the new regulations, requirements and technologies that are being foisted on this noble industry.

It is absolutely not too late to make the changes necessary to enable us to enhance confidence and certainty. If successful, the Government would have simple wins that helped to create jobs, investment and opportunity across the UK's coastal communities, as well as fulfilling part of the national food strategy and achieving some of their core levelling-up objectives.

From the outset, I should make it clear that I consider the Minister's efforts on behalf of us coastal MPs exemplary. She has displayed typical patience and tolerance towards me, and I suspect others, and my weekly—if not daily—questions and inquiries on behalf of the fishermen of south Devon. There is cross-party support for and consensus on her hard work and determination

to see the sector flourish, so today's debate, and the attendance of right hon. and hon. Members from across the House, should only strengthen her arm. I hope she will listen carefully to the suggestions that we make.

I am going to tackle four areas, and for Members who might want to intervene, this is the order in which I shall do so: first, the fuel crisis; secondly, the MCA under-15-metres code; thirdly, the spatial squeeze; and, fourthly, the catch app and the inshore vessel monitoring system.

The fuel crisis is perhaps one of the most serious matters facing our fishing sector. The recently published Seafish impact assessment details the rising impact of fuel prices on the fishing sector. It makes for grim reading and details the step-by-step impact of fuel prices versus the economic viability of UK fishing fleets. After an incredibly difficult two years, this shock increase is only likely to sail more fleets into the red and see them suffer operational losses. The worst-case scenario suggests that two thirds of the UK's fishing fleets might not be able to cover operational costs by income, and even the most optimistic scenario shows that half the fleet's operating profits might drop into negative values.

We cannot underestimate the impact that the fuel price crisis will have on our fishing fleets if the Government fail to respond. There are steps that individual vessels and skippers can take—from optimising gear, fishing methods and vessel propulsion systems, to improving maintenance both of vessels and hulls and of engines and auxiliary engines, as well as improving operational husbandry—but that costs money. Businesses might usually be able to ask for or to source investment, but that has been proving incredibly difficult due to high prices, poor returns and a lack of certainty.

Let me make two proposals to mitigate the impact of rising fuel prices on the fishing industry. First, the UK Government and DEFRA have created the UK seafood fund—a fund of £100 million set up to support the long-term future and sustainability of the UK fisheries and seafood sector. This fund should be repurposed without the need for match funding in order to help enhance and retrofit vessels with green technology.

Secondly, the super-deduction scheme, announced in the 2021 Budget, was a stroke of genius and was applicable to fishing operators purchasing new vessels. However, it did not support the retrofitting and upgrading of vessel machinery to make it greener and more fuel efficient, so the scheme ought to be amended in order to help at this difficult time.

Anecdotally, I received a message yesterday from the crew of a trawler based in Brixham, in my constituency, that had just been out on an eight-day voyage. Because of the rising cost of fuel, they returned after eight days with the smallest amount of profit they had made in quite some time, which equated to each of the eight members of the crew earning £32 a day. If we continue in that direction, following that model, our fishing fleets will be totally unsustainable and, at a point when we are worrying about food security, they will not be able to even go to sea to help address the food security crisis we face.

Does my hon. Friend the Minister support the two suggestions I have made, and will she speak to the Chancellor about them? Has her Department explored emergency schemes similar to the European maritime,

[*Anthony Mangnall*]

fisheries and aquaculture fund launched by the European Union, and whether there are any lessons to be learned from that scheme?

Last year, I went to sea on a Brixham trawler, which was an extraordinary opportunity, and I saw at first hand the hard work it takes to provide fine British seafood for our dinner tables. This year, I am set to head out with the Salcombe crabbers to learn more about that sector. Going to sea comes with the most extraordinary risk, and it is absolutely right that we do nothing to reduce the levels and expectation of safety. Fishing is one of the most dangerous occupations in the UK, and in the last 10 years there have been, tragically, 42 deaths on vessels of less than 15 metres.

No one here wants to see any loss of life, and safety and security are vital, but there is a concern about the new MCA safety code, which is causing considerable amounts of consternation and concern for a large number of vessels, skippers, owners and crew. I understand that the National Federation of Fishermen's Organisations has already raised with the Under-Secretary of State for Transport, my hon. Friend the Member for Witney (Robert Courts) the need for a review of the code's implementation. It has raised a number of points that have also been brought to my attention by the likes of Beshlie Pool from the South Devon and Channel Shellfishermen, and by fishermen in Dartmouth, Brixham, Salcombe and Torbay. These problems include, but are not limited to, the roll test stability assessment; previously certificated vessels being asked to alter their original design; the time frame in conducting these tests being both lengthy and costly; the language in the code of practice being undeniably complicated and vague; and the engagement of surveyors being poor and failing to reassure those who fear they may lose their jobs, livelihoods and vessels.

There are solutions. The MCA should revise its roll test stability assessment to include either the heel test or the offset load test. Water freeing arrangements should be considered on a risk-based, individual approach by the MCA. The MCA should state a turnaround time for these tests; the NFFO has suggested a week, which I think is perfectly reasonable, as do industry representatives. Improved guidance and consolidated information need to be written so that it can be more easily understood and implemented. Finally, the MCA should train its surveyors to work hand in hand with fishermen to understand that these changes have a significant impact on them and on their jobs. I say again, no one wants to reduce safety at sea, but we must take fishermen with us rather than bamboozle and confuse them with non-sensical generalised tests.

I am positive about the future of fishing in the UK, but I frequently meet angry and depressed fishermen whose mental health is suffering and who, in many cases, are considering packing it all in. It is ironic that with the current expected changes being forced upon us, many fishermen are taking increased risks and working in rougher conditions. That is the exact opposite of the what the MCA code seeks to do. There must be better engagement.

In the Minister's response to my letter, which I received yesterday and I am grateful for, she mentioned the co-operation the MCA has had on the issue with the

main UK fishing federations, the Royal National Lifeboat Institution, Seafish and the Shipbuilders and Shiprepairers Association, and that there had been a roadshow consultation. That is all very welcome, but the industry is now pushing back and we would do well to listen to its legitimate concerns.

I know that the matter falls into the brief of the Under-Secretary of State for Transport, but what engagement has my hon. Friend the Minister for Farming, Fisheries and Food had with him on this point? What scope for reform and amendment does she think is available, given the sizeable pushback from the industry? As Members might know, I am very keen to see the Hampton principles adopted at every level of Government, and that we can still maintain safety at sea.

Like so much of the Government's policy when it comes to the environment, we have an incredibly strong record. We need only look at the fact that 38% of UK waters are now in designated protected areas, which equates to 371 marine protected areas across the UK—to say nothing of the highly protected marine areas that will be identified by the end of this year. Like safety, protecting our coastal waters is not just important but a necessity. Well-managed coastal waters are as effective a carbon sink as anything we might find on land. In fact, I could bore for Britain, Sir Charles, about the role that live bivalve molluscs play in sequestering carbon and cleaning our waters, but I can assure you that that is for another day.

The marine protected areas and highly protected marine areas are now more effective at sequestering carbon, but there are now more carbon capture areas, dredging sites and wind farms, and we will only squeeze our fishermen into smaller and smaller areas, as well as encouraging the intensification of fishing over smaller ranges. There is a unique example of that happening in the North sea, where in 2003 we shut our waters to demersal fishing in order to protect spawning cod. The then Labour Government thought they were doing the right thing in 2003—I am always delighted to point out a Labour Government's flaws—but scientists at the Centre for Environment, Fisheries and Aquaculture Science thought that they did exactly the opposite. We closed the ranges and, as a result, the cod that we sought to protect was caught immediately after the seasonal closure. The demersal fleet was pushed into another area, where immature fish were caught and subsequently discarded, and the Dutch fleets were pushed into new fishing grounds, where they enacted extensive damage to the biodiversity and ecosystem.

Historical fishing grounds come with a responsibility that fishermen take seriously and understand how to manage. The Government must recognise the real-world consequences of squeezing and shutting down historical grounds, and the impact that this will have not just on the industry but on fish stocks and our ecosystems. The key is to listen to fishermen and to understand that their knowledge is not born out of guesswork; it is a product of daily engagement and understanding, and sometimes it has come about over centuries of working in the sector.

I agree with the NFFO that we should conduct a careful, site-by-site analysis of how conservation objectives for each site could be achieved while minimising the impacts on the fishing industry; that we must ensure closer dialogue with those who would be affected by

management measures; that we need to implement close collaboration in the design of those measures; and that we have to maintain an adaptive approach. If we squeeze our fishing grounds into small areas, we will only send our inshore fishing fleets further out, thereby facing greater danger, rising costs and diminishing fishing grounds.

Does the Minister recognise that Scotland has found the right balance in this area? We can learn from its example in this instance—that is not something I thought I would be saying, but it is true. Does the Minister also recognise that, in some MPAs and HPMAs, fishing can assist the enhancement of biodiversity and carbon sequestration? What exemptions could be allowed to see fishing operations—perhaps in the aquaculture sector—take place in those areas?

Technology is a great leveller. We might groan and complain about the advancements, but who among us has not seen it improve our lives? Now is the time for the fishing sector. Both the inshore vessel monitoring system and the catch app have been well voiced for both the positive and the negative. On the positive side, I recognise the value of these systems. Ultimately, the technology will help improve our data and allow us to maintain our arguments about the responsibility and manner in which our fishermen look after our waters. That technology should not be feared, but embraced where necessary and when sensible.

I happen to believe that the technology is highly relevant for vessels over 10 metres. However, I am totally unsure about why the Government and the MMO are pushing for the smallest vessels—those under 10 metres—to install this technology. Open-deck vessels that are launched from beaches run the risk of having their equipment stolen, as the devices are fitted and not portable. The issues with signalling that we all experience across our coastal communities are already proving difficult, and mean that these fishermen fear inadvertently breaking the law and run the risk of fines if they accidentally get it wrong. We forget that, across the country, these are not large-scale operations but individuals and their boats. We must ensure that we are working with them and listening to them. With regard to the IVMS technology, will the Minister please offer an exemption to boats under 10 metres before the August deadline? Not only is the technology expensive but, given the sporadic fishing schedule of the under-10s, IVMS offers neither good data nor value for money. As I have said, the only good part of the CFP was perhaps the exemption of under-10s from burdensome requirements.

On the subject of money, I understand that now there is only one approved supplier of the IVMS technology and that prices have been inflated grossly. The Government have offered £650 for the equipment and installation but, all too often, installation is not covered by the grant we are now offering. So, to my final questions: first, does the Minister recognise that the prices have been inflated and that installation costs are frequently being added to the £650, and what might we be able to do about that?

Secondly, on enforcement, I understand that the data collected will be interpreted by the local IFCA's, but that there is no national standard or procedure in place to ensure that they act appropriately, proportionately and consistently in their use of data. Will the Minister clarify that and say that there is a national response?

On the catch app, I wrote recently to the MMO about the need to address some of the concerns. From the response I have had from Mr Michael Coyle, it now seems that we have a system that will allow people to enter their catch to the port nearest to where they land—rather than the actual port, if it is not listed in the app—and that will accept a 10% margin of tolerance and record the data offline and transmit when back in signal. Those are positive steps, which provide some reassurance to people who were deeply worried that they will be penalised and fined. Simple though it may sound, we must improve communication and ensure that the MMO, DEFRA and fishermen work together in a collaborative manner that reassures them all.

I am often accused of speaking only about fishing, and I am sorry not to have disabused people of that view, but I am proud of the fishing community in my patch. I see their value and what they achieve in south Devon. I know that they have an enormous opportunity in the role they have to play in levelling up our coastal communities and ensuring that jobs, investment, training and skills can all come in the right direction in the right place.

I suspect that your patience with me has worn out, Sir Charles, so I will leave you with a final cast: our land and seas can look after us, but only if we listen to those who know it best, those who for centuries have toiled the land and sailed the seas. Now, at a time of great need, we would do well to place our faith and support in those who can address the many challenges that we face.

Several hon. Members *rose*—

Sir Charles Walker (in the Chair): Order. There will be a five-minute limit on speeches.

9.47 am

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is good to see you in the Chair, Sir Charles.

I thank the hon. Member for Totnes (Anthony Mangnall) for introducing the debate. If success were measured in words per minute, there would be no problems left for fishing. I endorse many of the points he made and will repeat them. I suspect that there will be cross-party agreement on many of the concerns and, indeed, many of the suggestions as to how those can be addressed.

I am worried that fishing is facing a perfect storm. A series of problems are coalescing and forcing fishers—*[Interruption.]* Good luck to *Hansard* recording Siri making an intervention on my phone. I worry that the problems that fishers are experiencing are compounding and coalescing to be more and more difficult. They are not only making their lives harder, but making the future of fishing, in particular from small boats—the under-10s, the inshore fleet—much harder.

We must acknowledge that massive pressure from both the cost of living crisis, to which fishers are prone given the cost of fuel, and the difficulties in using inadequate technology. The Minister knows my view on the catch app: it has been a disaster to date. Progress is welcome, but it is not yet enough. IVMS costs, as well as other costs faced by fishers, are making fishing trips less profitable. Furthermore, not enough is being done to get British-caught fish into British supermarkets. We have had that debate before, and we will no doubt have it again. We need to get to the point where fish caught

[Luke Pollard]

by British fishers and landed in British ports can be sold with the same celebration and flag waving that we get for British beef in the meat aisle at British supermarkets. That is currently absent from the fish aisle.

Fishing matters. It matters in my constituency, in the south-west and, looking at the geographical spread represented by Members across the Chamber, in every part of our country. In the patch that I represent, there are 1,000 jobs in fishing, but in my past five years of being an MP, I have never seen more fishers concerned about their future and about whether they will stay in the trade. There has always been a fair amount of banter down the pub with fishers about the success of the industry and what is going right, but I am seeing more deeply worried faces. I would like to speak briefly about those people, because I am really concerned that many fishers across the country are now at a crisis point.

Paul Gilson, chairman of the NFFO, said that “a very large number of fishers are deeply depressed”

and that many are now on suicide watch. Our fishers work tirelessly—day in, day out—to feed us, and they have families to support in a difficult economic climate. They were promised a better system post Brexit, but that has not been delivered. Fishers in our inshore fishing fleet are feeling neglected, and many are not only thinking about their future, but are worried that there is no way out and no end in sight. That should worry each and every one of us, and it is why we must not continue to let down our fishing communities.

When the Minister gets to her feet, I would like her to set out how she can work to make sure more British fish is sold. We need to make sure, recognising the export difficulties that the botched Brexit deal has created, that more of the fish landed here is sold locally in our supermarkets. That is an opportunity to cut carbon, promote British jobs and celebrate the high-quality fish and fishing methods we have in our country. I have made that case to Ministers in debate after debate—as, indeed, have Government Members—but I have still not seen any progress, and the lack of a strategy in the food strategy announced yesterday does not fill me with confidence that there is a plan to get more British fish on to our tables.

I agree with the hon. Member for Totnes (Anthony Mangnall) about the catch app: it needs to be replaced with something that actually works. The improvements are welcome but, my word, they have been painful to wring out. My real concern is that those improvements are often made without the involvement of fishers, who are having to choose between going to sea to try to earn a day's living and working with the Government in daytime consultations. There is a real problem there, and that needs to change.

The Minister knows of my concerns around I-VMS, which the hon. Member for Totnes also spoke about, but the final point I want to raise is about safety. The Marine Accident Investigation Branch annual report for 2021 shows an increase in commercial fishing incidents. During 2021, 89 casualties were reported to the MAIB, six fishing vessels were lost, and there were 10 fatalities to crew—the highest annual figure in a decade. We need to have a more comprehensive approach to vessel stability and to ensure that every single fisher wears a lifejacket with a personal locator beacon.

Sir Charles Walker (in the Chair): I call Sheryll Murray, who has to leave early and has the Chair's permission to do so.

9.52 am

Mrs Sheryll Murray (South East Cornwall) (Con): Thank you very much, Sir Charles; it is a pleasure to serve under your chairmanship. This debate is timely, and I am grateful to my hon. Friend the Member for Totnes (Anthony Mangnall) for securing it. It is an honour to speak up today on behalf of an industry that served my family well for 24 and a half years until the death of my husband, Neil Murray, because of an accident aboard our *Cygnus 33* inshore trawler in March 2011. I hope I can bring that human element to this debate.

I apologise to the Minister and the shadow Minister, the hon. Member for Cambridge (Daniel Zeichner), as well as to you, Sir Charles, for my early departure, which is due to a meeting about an important constituency matter—no discourtesy is meant. I will have to leave before the conclusion of the winding-up speeches, but I hope you will forgive me. I promise to catch up with the closing remarks as soon as I can.

During my time as a fisherman's wife, the industry provided my family with a comfortable living. There were lean times, and sometimes we had to make personal sacrifices in favour of boat repairs, but as a family we accepted those sacrifices because, like most inshore fishermen, male and female, the owners and skippers who put to sea do so because it is a job they love. Throughout my whole marriage, I kept the boat's accounts. That involved submitting VAT returns, and sometimes being asked by my fisherman husband why I had not included the receipts that were screwed up in the inside pocket of his jacket. I also dealt with the purchase negotiations for our replacement vessel, so I understand all the stresses and strains under which these hard-working men and women operate to bring their fish to our table.

So many people connected with our great industry hated the common fisheries policy, and saw the vote to leave the EU and the CFP as their salvation. I shared their disappointment when we did not get the promised deal. As chair of the all-party parliamentary group on fisheries, I refer to a report that we recently published and pay tribute to the right hon. Member for Orkney and Shetland (Mr Carmichael) for taking the lead on it. The six recommendations are particularly pertinent to the inshore fleet. They are that we should:

“Ensure that quotas are distributed and managed more fairly...Implement...restrictions on non-UK fishing fleet access to UK waters...sooner than 2026...Ensure effective and inclusive management of UK stocks...Implement measures to increase the efficiency and reduce the costs of exporting...Work with the EU to free up trade and remove regulatory and financial barriers...Invest in infrastructure and new markets both at home and abroad.”

The NFFO has concerns that are particularly relevant to our inshore fishermen. Many inshore vessels are not able to migrate to other fishing grounds in the same way as larger vessels, although they do venture beyond the 12-mile limit. Our own vessel, “*Our Boy Andrew*” did have bunks, and my late husband would stay at sea for a two-day trip, but these vessels do not lend themselves to longer trips. Of course, that does mean that fresh, high-quality, day-caught fish is available on the market, which can realise a higher market price.

A fairer share of quota is essential for inshore vessels. My late husband used to take scientists to sea with him. He was in the minority. Interaction between scientists and fishermen is improving, but greater collaboration must be encouraged. The catch app is used by about 90% of fishermen, but there is room for improvement, and it is essential that the MMO works with the fishermen to make improvements.

I-VMS will be an important way of defending the most important fishing grounds and activities against outside pressures, but new technology must be adapted to fit the conditions found aboard small vessels, particularly open-deck vessels. I know that some electronic monitoring can have a safety impact. My late husband's boat was fitted with a class B automatic identification system and without it his boat may never have been found. That is a point I constantly make.

There is also competition for space from offshore windfarms and marine protected areas. I know that the Minister is listening intently to the debate, and I ask her to ensure that she works with the industry between now and 2026 to ensure that at least our six and 12-mile limits are restricted to UK fishermen.

9.57 am

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr. It is an honour to serve under your chairship, Sir Charles. I am grateful to the hon. Member for Totnes (Anthony Mangnall) for securing the debate.

Vessels under 10 metres compose over 92% of the Welsh fishing fleet, and fishers in Wales are historically dependent on shellfish, crustacea and non-quota species, such as bass. Indeed, the town of Nefyn where I live was once so famous for its herring catch that its people were known as *penwaig Nefyn*—*penwaig* being herring in Welsh—and its coat of arms is three silver herring set on a blue background. Sadly, perhaps as a message to us, the herring catch collapsed in the middle of the last century, even though herring remain on the town's coat of arms.

While the greater part of fishery matters is devolved to the Senedd and managed by the Welsh Government, the key role of the UK Government in negotiating quotas and in interventions such as the UK seafood fund behoves me to stand here and argue the case for Wales's communities, where fishing was historically of immense importance and where fishers still need support in the here and now to grow an environmentally sustainable and locally rooted food-producing industry in the future.

Let me summarise the present issues. The first is the markets. I am told that the cost of living crisis is knocking consumer confidence and affecting leisure activities, such as eating in restaurants, particularly for high-value produce, such as lobsters and crabs. That is having a direct effect on some of the fishermen local to me. There is also the fact that we still cannot sell mussels and other bivalves to EU countries, which again is affecting aquaculture industries. Fuel prices have already been touched on. In rural Wales, prices stand at between £1.90 and £2 per litre. We are very much aware that although there is a standard charge of 57.95p per litre and 20% VAT on top of that, there is still room for the Treasury to do more.

Some 83,000 tonnes of fish and shellfish are caught in Welsh waters annually, but only between 5,000 and 8,000 tonnes are landed by Welsh vessels. Our communities therefore see little economic or social benefit from

Welsh fish stocks. The UK Government have made much of the significance of zonal attachment as the basis on which to agree fishing opportunities with the EU. The same principles could well apply to intra-UK allocations. That would help to reduce the overdependency on a small number of species in Wales, thus reducing the risk of overfishing.

It might be argued that the present capacity of the Welsh fleet is insufficient to warrant allocating all quotas located in the geographic region to that cohort of vessels, which does not presently have the capacity to utilise those stocks, but such an approach would be short-termist and serve only to perpetuate Wales's present disadvantages. One practical solution would be to lease out any surplus from year to year within the developing workforce fleet and infrastructure systematically to maximise the economic benefits for Wales.

Fishery negotiations with the EU resulted in an increase in the number of vessels from France, Belgium and Spain with the right to fish in Welsh waters. Historically, only 10 vessels fished in Welsh waters, but 76 extra vessels now have the right to fish there. To summarise the present issues, the lack of local infrastructure, particularly in Wales, means that we need to develop the means to make the most of the local catch and keep the value local.

I will touch briefly on a few local initiatives that have shown how to face adversity. In *Lockdown Lobsters*—the name says it all—Siôn Williams of Sarn Meyllteyrn works with a London photographer called Jude Edginton to bring lobsters here and ensure that he still has a market. The Menai Seafood Company of Porth Penrhyn in Bangor was set up by Mark Gray and James Wilson, who have worked together since 2014. Their business, Bangor Mussel Producers, was hit hard by the ban on the export of live bivalves, but they have now set up a really good local business that processes and sells food. *Môr Flasu*, which sort of translates as “taste of the sea” but plays on the words “so tasty” in Welsh, was launched by Sian Davies and Dyddgu Mair of Nefyn. They serve street food from an Ifor Williams horse trailer, including lobster cooked in Cwrw Llŷn's Largo lager, which I absolutely recommend—people travel for it.

In the little time I have left, I will suggest some solutions. There should be a rural fuel duty rebate scheme for Wales, because we are hit by the fact that we are within 10 miles of the fuel refineries, but it does not affect the price at the pump. The Welsh Government should have a role in identifying quotas in Wales, which does not happen presently. I suggest that we should have infrastructure improvements to give Wales greater means of processing locally. Finally, what the Crown Estate has done with offshore wind in Scotland has enabled Scotland to invest far more in local infrastructure, and the value of the Crown Estate is going up incrementally because of those developments. Why can we not do that in Wales?

10.3 am

Chris Loder (West Dorset) (Con): I congratulate my hon. Friend the Member for Totnes (Anthony Mangnall) on securing this debate, which is important, particularly because it allows those of us who represent constituencies in the south-west to share our thoughts and feedback with the Minister.

[Chris Loder]

I represent the rural and coastal seat of West Dorset, where we have 45 small fishers and vessels. The impressive biodiversity of our Lyme bay coral garden and our thriving fishing ports go hand in hand in West Dorset thanks to the fisherman of Lyme bay, who have made that work. The Lyme bay fishers have done all that has been asked of them to fish sustainably, but we have a small-scale fleet, and the challenges that they now face to make a living are increasingly difficult, particularly in the light of the huge fuel price increases. The value of their catches remains the same, but gear costs have increased. Those fishing families face the same cost of living challenges as other families.

I do not think that the Minister can pull a magic lever to fix those issues, but fishermen report endless consultations, meetings and additional burdens, such as the catch app, I-VMS, new MCA inspections and so on. Those burdens can and need to be addressed. In West Dorset, we are finding the MCA a bureaucratic nightmare. It holds our fishermen to account against its own questionable or false advice. That is increasingly becoming a problem. I hope that I can count on the Minister's support to help with some particularly difficult issues in my constituency. Fatigue in the sector is considerable. The sheer scale of bureaucracy is causing real mental health concerns.

Fishers are not a regular stakeholder group. Our fishermen do not work nine to five, so the MMO, the IFCAs and officials in the Minister's Department can and should do more to make things easier for them. Meetings in the middle of the day and the middle of week do not work, because if the weather is fine, fishers go out to sea. They need to do that to earn their money in these increasingly difficult times. Moving all these meetings to early evenings or weekends would make all the difference to attendance and engagement, and fishers would not be faced with a choice of giving up a day's pay or making their representations.

West Dorset predominantly has small fishing vessels, not big fishing businesses. These small fishers have no paid representation to attend and speak on their behalf at a level to help inform policy. I understand that having shore-based employees helps, but while the NFFO has lots of advice to offer, it does not necessarily speak on behalf of small fishing vessels such as those in West Dorset. I am proud to represent them in this debate and to offer their voice in this House.

Our Lyme bay fishermen know that these issues have been a weakness, but I am proud that they have collectively pooled together across the four ports, not just in my constituency but in Tiverton and Honiton and further west, to register the Lyme Bay Fishermen's CIC. It is an important and progressive development that means we can really get their voice heard. I hope that the application of the MMO grant scheme will be recognised and that the importance of similar community interest companies will be recognised to ensure that key developments can move forward.

I urge the Minister to see what the regulators can do to change their way of working, because as small-scale fishers rise to the challenge, regulators should do so as well and should give these new organisations and initiatives time to get up and functioning with the resources that they need.

10.7 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Totnes (Anthony Mangnall) on introducing this debate on a worthy topic. I am pleased to participate in it to give a Northern Ireland perspective.

Hon. Members will be aware that I represent the fishing village of Portavogie. I was there last Saturday at my advice centre: it was a wonderful day and the sun was shining on the harbour. The place was buzzing with life, which told the story of how important fishing is to Portavogie. I came away realising that many people I have known for years have retired or moved away from fishing because it is no longer financially viable for them. While it was good to be there, it also put the issues into perspective. I also speak for the fishing villages of Kilkeel and Annalong in South Down, whose Member of Parliament happens to speak outside these walls in Parliament Square but will not come in to do his job.

It was explained to me when I raised this topic with the local fishing industry that the vessel monitoring service currently in operation in over 12-metre boats sends a ping every 15 minutes to record vessel activity. That feeds in information about where the boat is and how long it is likely to be fishing. That information benefits the Government in our sustainability obligations, ensuring that we have accurate information to appropriately measure and protect our fishing.

There is an obvious benefit to industry when we have discussions about closed areas, because we can demonstrate and quantify where we are already fishing. Extending to under 12-metre boats would be fine—our fishermen have nothing to hide. However, the fact is that that is an additional cost at a very difficult time. I put that on record because on Saturday I heard how costs are overtaking income. One guy I spoke to said it costs him £2,000 a day in fuel to go out and fish. Another said it had cost him £9,500 in fuel in the last four and a half days that he had fished. The costs are extremely high. The hon. Member for Totnes referred to the cost of fuel, and as always I look to the Minister to see what help can be given to these fishing boats.

Northern Ireland vessels should also receive help and support to take on board this new monitoring obligation. They cannot be forgotten when we determine that subsidies are necessary for new equipment.

Let me move on to the issue of HPMA's. Members may be aware that we do not have any currently, but there is a possibility that we will. Although it is essential that we protect our environment—I believe it is, and that fishermen are committed to that—we must also remember the cost of living and the fact that it is vital to sustain local food production at an affordable rate. It is imperative that we fulfil our environmental obligations while ensuring that there is food in bellies without debt in banks. The balance must be struck correctly. That balance is what every fisherman and fisherwoman is committed to at this time.

While thinking of the environmental obligations, it seems right and proper that I flag something to the Minister, who is always very responsive and understands fishing better than most Ministers—I say that very respectfully to her and to those who were in her place before her. Applications to the UK seafood fund are in place, under the science pillar, to work in partnership

with the University of Ulster to monitor the effect of fishing gear on the seabed. That work will have a positive impact on our environment by seeing how we can fish with as little an impact as possible on the seabed. I trust that the Department will look favourably on that exciting and useful proposal. I would love a reply on that from the Minister, if at all possible—if not today, I would appreciate it if she could write to me.

Furthermore, another application is in place to create a state-of-the-art training centre in Portavogie, using infrastructure funds. Again, I make a plea to the Minister on that. I am sure the long list from Alan McCulla and Harry Wick and the Northern Ireland Fish Producers' Organisation will be on her table every week. There is also the strategic funding to advance Kilkeel harbour. We need to ensure we have a new breed of fishermen, with the knowledge passed down through generations and an eye to the modernisation of the industry.

As the House looks towards the importance of food security and sustainability, the fishing industry has a vital role to play. In order to reap the harvest, we must first diligently sow, and now is the time to sow a new style of fishing that merges experience and know-how with modern demands. To do that, we must come alongside our fishermen and fisherwomen and build the industry that Europe decimated for so many years. Now is the time to move. Again, I look to the Minister to see how we will do that, confident that she has the answers—we will soon find out about that. The Minister has a commitment to deliver, which is so important. Again, I thank the hon. Member for Totnes for introducing the debate.

Sir Charles Walker (in the Chair): If we are disciplined, we will get all of the last three speakers in without dropping the timing.

10.12 am

Peter Aldous (Waveney) (Con): It is a pleasure to serve with you in the Chair, Sir Charles. I congratulate my hon. Friend the Member for Totnes (Anthony Mangnall) on securing this debate.

At the outset, I declare an interest, in that I chair REAF—the Renaissance of the East Anglian Fisheries—which was registered last week as a community interest company. A key objective of REAF is a healthy and vibrant inshore fishing fleet that will not only promote sustainable and responsible stewardship of our fisheries but bring significant economic benefits to coastal communities all around the UK.

I am afraid we have been having debates focused on the inshore fleet for a very long time, yet things never appear to get better. Brexit has, so far, been a missed opportunity, with the failure to secure an exclusive 12-nautical-mile zone to protect the inshore fleet, the saga of paper fish, and the failure to enforce the catch limits for non-quota species for EU vessels. The inshore fleet is currently facing a variety of challenges and there is a serious risk that it will not be around to take up the opportunities that local fisheries management plans can provide. I shall briefly outline some of those challenges.

The regulatory burden is bearing down very heavily on inshore fishermen. It is significant, growing and disproportionate—taking into account the amount of time it takes up and the way it is applied—compared

with the regulations for both larger and foreign vessels, and, I suggest, for other sectors, such as farming and retail.

Safety and accurate records are incredibly important, but the introduction of the catch app, I-VMS and over-zealous inspections create an administrative burden and added costs that place businesses at risk and take up an enormous amount of time, which adds to fatigue and exhaustion and makes a long day even longer and fishing an even more precarious and risky occupation. Is it really necessary for inshore fishermen to have to account to the local IFCA, the MMO, DEFRA, local authorities, the MCA and, in some places, Natural England? One REAF recommendation is for the regulatory system to be joined up and not fragmented. Given the Government's planned reduction in the civil service, now would appear to be an appropriate time for DEFRA to review the current regulatory framework.

As has been mentioned, spiralling fuel costs are crippling the inshore fleet. They are making taking to sea financially non-viable, which means no income for many households. I urge my hon. Friend the Minister to look into ways of addressing that, perhaps through repurposing the UK seafood fund, as suggested by my hon. Friend the Member for Totnes mentioned, along with his other proposals and those of other colleagues.

Finally, there is concern that the laying of cables to the wind farms off the East Anglian coast is creating electromagnetic fields that are having a significant negative impact on traditional inshore grounds. Research has recently been commissioned, but more work is required, perhaps involving Lowestoft-based CEFAS—the Centre for Environment, Fisheries and Aquaculture Science—to ascertain the full extent of the problem and to come up with solutions. That is encapsulated in the final REAF recommendation, which is to make use of data to manage potential conflicts between fishing and other marine activities.

As I said, we have been here many times before, and there is a worry that a vicious spiral of decline could be self-perpetuating, yet this industry has so much to offer in terms of responsible stewardship of our waters, reviving coastal economies and providing healthy and nourishing food for the nation. I look forward to the Minister's reply and hope she will provide for the inshore fleet a route map out of the current malaise and to a vibrant and sustainable future.

10.17 am

Derek Thomas (St Ives) (Con): I commend my hon. Friend the Member for Totnes (Anthony Mangnall) for securing this relevant and important debate. I welcome the Government food strategy, through which, in effect, they want to maximise the supply of homegrown nutritious food. The inshore fleet is absolutely the answer, or part of the answer, to that problem.

We do not have long in this debate and we will never cover all the aspects of fishing that we should cover. In five minutes, I would not have time just to list the coves and ports that people fish from in my constituency, so I will not attempt to do that, but if people ever get the opportunity to come down to Cornwall and go to one of those coves—such as Cadgwith, Coverack or Porthleven—they will see how important the small inshore fleet is to the local community, what a key part of the local economy it is and what a local tourist attraction it is.

[Derek Thomas]

There is a danger of us missing an opportunity to harvest the contribution that the inshore fleet makes to good nutritious food. In April, I was privileged to meet inshore fishermen in Cadgwith, Porthleven and Newlyn, which is the fourth biggest port in England—in the UK actually—in terms of the value of fish landed, and what I saw was men who know what it is to work hard to put good food on our table. However, those men were tangled not in nets but in red tape, despite the UK having left the common fisheries policy. Today I want to run through what I learned and suggest some answers.

One issue is reporting catch. Fishermen do not object to good data in support of sustainability. I have never yet met a fisherman who wants to completely exhaust the sea of fish. The impression is, though, that reporting to both the MMO and the inshore fisheries and conservation authority is clunky and duplicative, involving a mixture of hard copy and online data collection. It cannot be beyond DEFRA to sort out the way we ask fishermen to record what they catch.

On safety, my hon. Friend the Member for Totnes was right to raise the issue of the under-15 metre safety code. Again, fishermen understand the need for the highest safety levels at sea, but the impression is that the under-15 metre safety code is being applied in a way that gives rise to multiple examples of extreme stress for the inshore fleet. The inspections seem inconsistent and I have met a number of fishermen who believe that changes they have been asked to make risk making their vocation less safe rather than more safe.

There is also the use of technology to consider. We have heard about the roll-out of the inshore vessel monitoring systems. Fishermen I have spoken to are concerned not so much about the principle of I-VMS as about the pace of the roll-out, the ongoing cost of the system and the implications they face if the kit fails and they are grounded because they cannot go to sea to fish legally. The loss of income for a fisherman who already faces restrictions on the number of days they can spend at sea would be significant, if that issue is not properly understood and addressed.

I have a few quick asks. First, I ask for some common sense to be applied to data collection and safety at sea. The Minister is not responsible for safety at sea, but she can support us in our efforts to work with the Department for Transport to ensure that the DFT makes sure that inspections are consistent, coherent and recognise both the enormous knowledge that inshore fishermen have and their years and years of experience of how to keep safe at sea.

I suggest that we scrap IFCA's altogether and instead concentrate marine management and conservation within the Marine Management Organisation. It is bizarre that we are asking fishermen to send similar data to two different places at different times in different formats. That just is not helpful in realising the full potential of our inshore fishing fleet and I suggest it would be a great thing if, as has been hinted at, IFCA's were scrapped completely. I might not be popular with my local council for saying that.

We should also be brave and scrap quotas. A lot of conservationists will be shocked by that, but if we look at the inshore fleet, we see that I am talking about much smaller vessels than those my hon. Friend the Member

for Totnes referred to. These vessels do not go to sea very often, because the weather does not suit them—it is not safe for them to go in bad weather. Also, their capacity, their time at sea and how they fish are all very sustainable, so I suggest we could really regenerate our coastal communities, and provide fantastic, healthy food for local communities and for people further afield, if we just let the inshore fleet free and allowed those vessels to fish sustainably.

In the last 15 seconds or so that I have to speak, may I also say that we need to create dedicated areas where these fishermen can fish safely? Across the Lizard peninsula we now have massive freight ships coming through, cutting off the corner of Land's End and trawling through the fishermen's kit and making their lives very unsafe.

10.22 am

James Wild (North West Norfolk) (Con): Thank you very much, Sir Charles, for calling me to speak. I congratulate my hon. Friend the Member for Totnes (Anthony Mangnall) on securing this debate.

Fishing is an important part of the heritage of King's Lynn in my constituency, where the fishing fleet has been proudly sailing for 700 years. I encourage hon. Members to visit our historic town and I recommend the True's Yard Fisherfolk Museum, which includes the final remaining cottages of Lynn's old fishing community in the north end of the town.

Today, King's Lynn continues to be a busy port, with cockles, shrimps and whelks all being caught in the Wash. However, fishermen are very concerned by the recent decision of the Eastern Inshore Fisheries and Conservation Authority—the local IFCA—not to open the cockle fisheries this year. That decision follows the annual cockle survey, which found that

“the stocks in the regulated fishery do not meet the bird-food model threshold and are unable to support a cockle fishery this year”.

That model is Natural England's model, which uses the oystercatcher population as an indicator of other species. The Eastern IFCA added:

“This is primarily the result of very low spatfalls in 2019 and 2020 and only a moderate spatfall in 2021.”

Of course, as others have already said, maintaining the balance between a sustainable fishing industry and conservation, including for overwintering birds, is essential, particularly at this internationally significant site. However, local fishermen have questioned Natural England's assessment and the time at which it was made.

Normally, when one fishery is closed, boats will be redirected to the whelk or shrimp fisheries. However, the Eastern IFCA considers that these fisheries are also under pressure and would not be sustainable if there was an increase in what is taken from them. So, redirecting to the whelk or shrimp fisheries is not an option for these fishermen either, which is a further blow for them.

Last week, when the Eastern IFCA met to make its decision, a protest was held in King's Lynn with fishermen from Lynn and Boston, and support from Cromer and Wells. This is a very worrying time for the local fishermen, who are concerned about the loss of their livelihood and the consequent impact, which would be felt by those who crew the vessels through to those who work in the processing factories. It obviously comes at a time

when people are facing higher bills for energy and other products, which the Chancellor has sought to mitigate with targeted support.

I have written to my hon. Friend the Minister to highlight this situation and the implications for local fishermen. Along with my hon. Friend the Member for Boston and Skegness (Matt Warman), I met the Eastern IFCA, along with the Borough Council of King's Lynn and West Norfolk. Following that meeting, the council is meeting local fishermen to try to assess more fully the impact of the decision not to open the fishery this year and the inability of the boats affected to be diverted to other fisheries.

As others have commented, one of the issues the fishermen have raised is that of communication with IFCA and Natural England. I am sure the Minister shares my view that proper consultation and engagement should be at the core of how both those bodies operate, and much more needs to be done to ensure that there is proper dialogue. That is not happening at the moment, as any of the fishermen on my patch would testify.

This fishing fleet has a proud history, and it is important that the fishermen have confidence in the future, so I hope my hon. Friend the Minister will agree to meet me to discuss the issue, including Natural England's advice, and how we can assist the fishermen in my constituency at this very concerning time.

10.25 am

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It is good to see you in the Chair, Sir Charles, and I thank the hon. Member for Totnes (Anthony Mangnall) for introducing the debate and for giving kudos to the Scottish Government when that is clearly required, as well as the other Members who have done so. I hope the Minister learns from those rather pointed questions from Members.

It gives me pleasure to sum up a debate on an issue on which I do not think I have addressed the House, although that is not through lack of trying, and I am glad to say that in my constituency neighbour—my hon. Friend the Member for Argyll and Bute (Brendan O'Hara), who is unable to be here today but who has so much of Scotland's inshore fishing capability based in their extensive and extremely watery seat—those who work in the industry have a doughty and determined advocate. They absolutely need that because, far from being in a sea of opportunity, Scottish inshore fishing communities are collateral to the hardest of Conservative Brexits.

It is apt that we are having the debate in the same week that the Government—at least from my perspective—have unveiled a myopic plan that seeks to break international law and undermine our relationships with the European Union and the United States of America, all in the name of passing a Bill that will undoubtedly make many of us poorer, not least Scotland's inshore fishing fleet. Some three quarters of Scotland's registered fishing vessels work inshore, and having previously been the Scottish inshore fisheries group's secretariat myself, I know only too well that the fleet is diverse and that it includes trawlers, creelers, netters, dredgers, divers and many more.

We saw quite a few years of growth, most of it sustainable, until 2019, but Scotland's seafood industry has seen an incredible 30% drop in exports to the

EU—a perfect demonstration of how Scotland's food and drink industry has borne the brunt of Brexit. In 2019, some £91 million of langoustine was landed in Scottish harbours, making it the second most valuable seafood stock after mackerel—that is an incredible 43% of global supply, and it is certainly at the top end of the market.

The three largest export markets are Spain, France and Italy, which are all part of the European single market. This is a quality fresh product, and whatever the Government say about an Indo-Pacific tilt or the potential growth in east Asian markets, we are not going to be air-freighting hand-dived Scottish scallops to Shanghai at scale any time soon, and most certainly not in a way that keeps us within our net zero targets.

Members should not just listen to me. Simon Macdonald, chair of the West Coast regional inshore fisheries group, said just last month:

“We've had all sorts of problems with Brexit, mostly with the paperwork and the costs of it... They've got new health certificates that just came out, which are far more complicated than the ones we had before.”

Macdonald also spoke about shipments being stuck due to new requirements, a delay in the new electronic verification system, the potential for mistakes among a bundle of new paperwork and eye-watering fees of up to £600 per customer order—that is £600 per customer order!

That is an acute issue with Brexit, but the larger issue over time will be chronic as the Scottish seafood industry declines relative to competitors who have free access to the large and dynamic market on our doorstep. Just last week, the Select Committee on Environment, Food and Rural Affairs heard from a range of Scottish fishing organisations, which spoke about the range of factors that will inhibit growth in the sector after it gets over this Brexit shock—namely, the shortage of labour, the increase of red tape and the disappearance of markets where this product, which, as the Minister knows, is reliant on freshness, can gain easy access.

Further, Hamish Macdonell, director of strategic engagement at Salmon Scotland, came out with one stat that made me sit up: Scotland possesses a 6.5% share of the international salmon market, but that is predicted to drop to 3%, while Scandinavia is at 10% market share, which will surely only grow.

It should be said that this is not simply an issue for our coastal communities, although we do get the occasional salty tang off the Clyde next to my office, the site of the former John Brown shipyard. British Governments, both red and blue, allowed the upper Clyde shipyards to wither on the vine, but I am glad to say that there is something of a shipbuilding renaissance in the borough of Clydebank, as the Malin Group looks to build smaller vessels for our aquaculture industry at a site in Old Kilpatrick. That yard needs inshore fishery contracts to grow and to thrive; to do so, it needs a competitive and expanding inshore fisheries fleet, ready and able to take our world-class Scottish produce to markets in Europe. As others have mentioned, a competitive industry is also able to bring down prices at home—vital during a cost of living crisis—and, as we all know, there is nothing better for the developing neural pathways and strong bones of any wean, no matter where they live, than being able to eat as much healthy, home-grown Scottish seafood as possible.

[*Martin Docherty-Hughes*]

Instead of whimpering on about remainder plots, bleating about a biased media, and attempting to break international law by refusing to implement the Northern Ireland protocol, the UK Government could do two things that are within their power to help and protect Scotland's inshore fishing communities. Either they could extend the Northern Ireland protocol to Scotland, which voted against the folly of leaving the EU—[*Laughter.*] I thought that would get a laugh; other Members might not want it, but we do. That would allow Scottish producers to sell seamlessly back into the single market, keeping the Union together and respecting the will of the people. Alternatively, the Government could allow us to sail away from the titanic failure of bargain-basement Brexit, rejoining our European family of nations and allowing the UK to have those sunlit uplands all to itself. What will it be, Sir Charles? I await the Minister's reply with bated breath.

Sir Charles Walker (in the Chair): As we all do.

10.31 am

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Sir Charles. I could not help noticing, following your instructions before we started, that we have had an entire Westminster Hall debate without an intervention and we are running to time—you have amazing powers, Sir Charles.

I congratulate the hon. Member for Totnes (Anthony Mangnall) on securing the debate and on his excellent introduction to this very serious set of issues, and thank him for his kindness when I visited his constituency a couple of months ago. It will come as no surprise that my comments will reflect many of the points he and other Members have made, albeit in a different order.

I have been struck by the intense pressure at the moment on people working in the inshore fleet. I was also struck by the comments of my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) about the NFFO's Paul Gilson, who has been making his point very strongly, to me and to others, about the effect that things are having on people at the moment. Frankly, people are buckling; one distressing case in the industry that has played out over recent weeks is known to many of us, but it is not an isolated case. Partly, I am afraid, that pressure is due to the boat inspections that are being conducted by the Maritime and Coastguard Agency—everywhere I have been, I have heard that issue raised.

An email has been passed to me, written by someone fishing from an under-8 metre boat. A recent inspection found that his freeboard was 20 mm under the limit, and the MCA has insisted that he either block up the scuppers and fit tanks and pumps under the deck, which he considers would be extremely unsafe due to the high likelihood of the pump fouling, or get a full naval architect's report to say that his boat is safe, which he has been told would cost thousands of pounds. The boat is watertight and well maintained; it has been fishing since 1980 without a single safety incident, and has never even broken down and needed a tow. The author of the email fishes single handed and sells all of his catch directly to the public, with his partner handling the sales. The MCA has banned him from going to sea, so the family has lost its entire income at a stroke. The

only permitted solutions are either dangerous or completely unaffordable. He is dyslexic, and has struggled to understand the regulations and the correspondence he has received. He describes himself as “desperate” and

“at the end of my tether”.

That email was forwarded to me on the day that the Under-Secretary of State for Transport, the hon. Member for Witney (Robert Courts) had agreed to meet me and a delegation from the NFFO, and I read it to him and his officials. It is, of course, very powerful. We have sent the Minister who is responding to today's debate a summary of that meeting, in which we raised a series of issues including the roll test stability assessment; the matter of previously certificated vessels requiring alteration to the original design, which makes them potentially less safe in the view of those fishing from them, particularly—as the email said—those relying on pumps; the very high charges being levied for inspections, which to some very marginal operators seemed excessive; and a range of other issues. I am pleased to report that the Minister replied to me yesterday promising more flexibility and reviews of some of those practices, so I hope that the representations that have been made have some impact. We will see. I am slightly sceptical, because I think there is a bigger issue here. This has been a constant complaint from fishermen I have met around the coast. People feel got at. Some, in turn, feel spied upon and tracked. They feel that they are being treated as if they are criminals, and that is really not a good feeling to have.

I pay tribute to *Fishing News* for its work on the matter. I was not at all surprised to see some of the people I had met at West Mersea raising the problems in its pages. It is a consistent complaint. When I was in Ramsgate, a very experienced boat builder explained the issues around older boats, where changing the original design raises a series of unintended consequences and potential problems, not least the anomaly that different inspectors seemed to be coming to different conclusions about boats built to the same design. What have surprised me are the complaints about overzealous enforcement and suspicion from some of the bigger boats too. Frankly, it seems endemic.

I am sure that the Minister will say, as did her colleague, that it is about safety. No one disputes the need for safety; it is paramount. However, the checks need to be proportionate. Some of the inspections seem to be carried out by people more used to inspecting large vessels, who then apply the same logic to very small boats. A balance has to be found. Yes, safety is the priority, but there is nothing safe about driving people to despair and destroying their livelihood. There needs to be a culture change and I hope the various authorities, not just the MCA, think hard about that.

There are other issues that are putting people under pressure. The Minister and I have had an encounter at the Dispatch Box over the catch app, when she skilfully dodged my invitation to guess the weight of a previous day's *Hansard*. There was a serious point being made there: it is hard to guess weights accurately and there is a long history on that. I understand and share the Minister's quest for accurate data, but it is once again a question of how people are treated and how they feel. The suggestion that there will not be prosecutions if people make mistakes is welcome.

Mrs Sheryll Murray: I assure the hon. Gentleman that my late husband was adequately able to estimate his catch. Of course a lay person could not, but fishermen get used to it, so please do not misrepresent them. I know that they could grade their fish within a certain criteria and would know exactly how much they put in their boxes.

Daniel Zeichner: I hear and respect the hon. Lady's point, but that is not what others have told me. I can only reflect on what people have told me.

In this case, the suggestion does not feel like a guarantee, and if it were a guarantee, there would not be much point making it an offence in the first place. The risk of prosecution is kept hanging over people, once again adding to the pressure that many are reporting.

Then there is the case of IVMS. The hon. Member for St Ives (Derek Thomas) made those points very well, they have been well rehearsed and I will not repeat them. Again, I appreciate the need for data, but the way in which it is being introduced—adding extra cost for people working on fine margins, having time limits on possible financial support, and then people finding that some of the recommended systems are being withdrawn because of the type approval process—has just added to the stress people are feeling.

The stresses and concerns around very high fuel costs have been mentioned. Other countries have found ways of tackling that. The Government are choosing not to do so but, as we have heard, it makes what were already marginal activities in some cases almost totally uneconomic. That is well documented.

I will briefly raise one or two other issues of concern. The UK seafood fund is currently being considered by the EFRA Committee, and I was struck by the discussion on how difficult it is for small operators to access the fund. With minimum spends of £250,000, it is unlikely to help the many small boats in inshore fleets. Can the Minister say what she might do to address that issue? One of the positive outcomes might be to provide assistance in improving the carbon performance of the fleet, either through electrification or improvements to existing engines. Electrification may well require much onshore investment. Again, can the Minister tell us what is being done?

I listened with interest to the concerns raised by the hon. Member for North West Norfolk (James Wild), and the Minister might also wish to tell us what has been done to protect the shellfish sector against sewage outflow—an issue that has received much public attention recently. It was certainly raised with me as a pressing problem in West Mersea.

Finally, there are spatial pressures as the country moves to make more wind power. There are clearly tensions, and although good efforts are being made to do better in future, there have been too many cases where inshore fishers do not feel that their interests have been taken into account. I would be interested to hear how effective the Minister thinks the current arrangements are. Given their role in marine protected areas, how effective does she consider the IFCAs to be, and what plans does she have for improvement? Again, I listened closely to the comments of the hon. Member for Waveney (Peter Aldous).

In conclusion, these are difficult times for many in the sector. A more understanding approach from those who regulate it does not have to cost more money, but it does require a change in attitude, and I hope the Minister will be sympathetic to that call.

Sir Charles Walker (in the Chair): The Minister has a little longer than anticipated, given that everybody behaved so well. Minister, the floor is yours.

10.40 am

The Minister for Farming, Fisheries and Food (Victoria Prentis): Thank you, Sir Charles. As ever, it is a great pleasure to serve under your chairmanship, particularly when talking about fish.

Like everyone in the room, I thank my hon. Friend the Member for Totnes (Anthony Mangnall) for securing this important debate. We all know that the English inshore fishing fleet is an integral part of our fishing industry, and the Government are committed to its future. It is always good to talk to my hon. Friend about fishing, which, as I think he admitted, we do very regularly. No one could do more to stand up for his local fishermen, many of whom I know personally now, and I look forward to further discussions on a frequent basis in the weeks and months ahead.

It is really good to be here among the usual suspects in fisheries debates. I like to feel that there is a large degree of cross-party consensus on how to solve many of the issues that confront the inshore fleet. It was good to hear from the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) and my hon. Friend the Member for South East Cornwall (Mrs Murray), who I am glad is still in her place so that I can thank her for such a passionate and authoritative speech, and say again how much we value her first-hand experience of the industry in this place.

We have heard from Members representing constituencies around the nation, including those from Wales, Scotland and Northern Ireland. We have heard from my hon. Friend the Member for West Dorset (Chris Loder) and my hon. Friend the Member for Waveney (Peter Aldous)—I always describe him as the hon. Member for REAF, but I know he represents many more of his constituents as well. We also heard from my hon. Friend the Member for St Ives (Derek Thomas), who always speaks so well about these matters.

To my hon. Friend the Member for North West Norfolk (James Wild), with whom I have not caught up in the last couple of weeks, I say that I am very much on top of what is happening in King's Lynn at the moment, and I spoke to my hon. Friend the Member for Boston and Skegness (Matt Warman) about it last night. I am pleased to say that I was also able to meet June Mummery last week, when we discussed those issues as well. IFCAs vary in their effectiveness: some do a superb job at meeting and working with local industry, and some do not. It is really important that the IFCA my hon. Friend the Member for North West Norfolk spoke about continues to meet the sector—I know that there was a big meeting last week—continues to talk through solutions, and continues to talk about any schemes that exist. I would be delighted to catch up with him at any time that he is free, because it is clearly a very difficult situation for the local fishing fleet.

I turn now to the points raised today. I will start with fuel, because we all recognise that the challenges facing the industry relate to input costs, at least in part. Obviously, we are all affected by increases in fuel duty, but fishermen are disproportionately affected, because

[Victoria Prentis]

so much of their cost is fuel and so much of their decision as to whether a trip is worth it is based on the fuel price. That has definitely informed the Government's decision to retain the fishing industry's access to red diesel, but I accept that the marine voyages relief fund, which enables fishermen to access that relief, is not as well used as it might be. I am extremely willing to work with hon. Members to see how we can increase the take-up of that perfectly legitimate relief.

The second round of the seafood fund is planned for this autumn. I suggest that I meet my hon. Friend the Member for Totnes to discuss how we might make a plan, such as the one he suggests, to retrofit vessels. We all understand that retrofitting vessels can be difficult and relies on inshore infrastructure that may not always be present, but the Department is in touch with companies that provide that sort of technology. It would be backward to describe such technology as in its infancy, but it is new and there is a great deal of work still to be done. I am extremely happy to meet my hon. Friend, and anyone else who would like to join us, to discuss how we can make the seafood fund work in this area.

Jim Shannon: Will the Minister give way on that point?

Sir Charles Walker (in the Chair): Order. Before the Minister gives way, I remind her that Mr Mangnall needs a couple of minutes to respond at 10.58 am.

Victoria Prentis: Of course.

Sir Charles Walker (in the Chair): It was remiss of me not to remind you earlier. Apologies, Mr Shannon, and thank you for your patience.

Jim Shannon: The Minister is always responsive, but does she know whether the fuel relief scheme she referred to applies in Northern Ireland? If it does, how many people there have applied for it? That is really important after what I heard on Saturday at the advice centre. Prawns are at their highest price in ages. The price is good, but the profits are being swallowed up by the cost of fuel.

Victoria Prentis: As ever, the hon. Gentleman makes some very relevant points. I know that many, although not all, fishermen in Northern Ireland are receiving good prices, but many of those are being swallowed up by input costs. As far as I am aware, that fund applies to Northern Ireland—I do not see why it would not—but I will check that and come back to him.

On the seafood fund, much of the inshore fleet can receive 80% grant funding if it does not use towed gear.¹ Action has been taken to support the inshore fleet and some specific measures were set out in our 2018 White Paper. We have allocated an increased share of quota to vessels under 10 metres, providing them with over 5,000 tonnes of quota during 2021, which nearly doubled the tonnage. We have provided reserved quota to the fleet to support the landing obligation, and the economic link licence condition in England has been strengthened, bringing more quota to the non-sector pool.

We plan to do more to ensure that the quota transfers can be better utilised by the inshore fleet. We have listened to industry about wanting to be more involved, although I take on board the comments about when and how to do that, the tone to use and even the time of day at which to have the meetings. Those are all valid concerns that I will take away.

With the MMO, we have established five regional fisheries groups to provide a formal and regular forum for engagement between the inshore fleet and policy makers, scientists and regulators. Operating at a regional level enables the distinct issues and concerns that relate to local fisheries to be discussed in a way that is not possible nationally, which is a step forward. The groups have already put forward some good, scientifically based projects, including on small-eyed ray and area 4c sole. These projects will be taken forward immediately by the CEFAS.

Fisheries management plans will help managers to design bespoke, flexible and transparent approaches for a number of key stocks. The inshore fleet is fully engaged with that process and I am always willing to listen to suggestions made to hon. Members by their local inshore fishermen about different ways in which they feel we could be consulting with them. We hope to start a consultation before the summer recess on how to protect non-quota species, and I encourage all hon. Members to get involved with that.

We have heard concerns from across the Chamber about the manner in which MCA inspections are being carried out. I recognise that the inspections can be a source of stress. This is very difficult territory, as was widely acknowledged, because we also recognise the enormous importance of vessel safety. We are all concerned about the sadly increased number of deaths as lockdown came to an end. We heard again from my hon. Friend the Member for South East Cornwall, who speaks so passionately on such issues.

I will continue to liaise closely with my colleague, the Under-Secretary of State for Transport, my hon. Friend the Member for Witney (Robert Courts), on marine safety. I am pleased that the MCA has started to attend some of the regular regional groups that we have around the coast for members of the inshore fleet. Engagement is probably the answer here. My hon. Friend and I are having a marine safety roundtable in Maritime Safety Week which begins in the first week of July, and I am happy to look at other ways that those present at this debate can be involved in marking that important week.

We heard concerns about IVMS and the catch app. The MMO—I visited one of its offices, in Newcastle, recently—is working intensively with fishermen to resolve the issues and concerns. I am glad to say that most have been resolved. Uptake of the catch app is now at about 90%. The MMO was keen to reassure me that the intention is not to penalise fishermen, but to collect landings information in a way that is sensible. IVMS is now installed on most under-10 vessels and we have got over many of the initial teething difficulties. Four models are available for fishermen to purchase.

Many hon. Members mentioned the spatial difficulties, so let us not forget that IVMS and the catch app are important tools that will provide us with the data that we need to understand the impact and importance of the inshore fleet, for example, when making decisions about offshore wind or the location of other spatial

1.[Official Report, 4 July 2022, Vol. 717, c. 8MC.]

planning pressures. The data that we have lacked for so long is needed urgently, but it is important that we work with the industry to collect the data in a way that works for it. Nevertheless, the better the data we have, the better the decisions we can make.

We also heard about eating more fish and about selling British fish. I am glad to say that fish is embedded in the food strategy, and that is real progress. Over the course of the pandemic, we saw some improvement in how British fish is marketed and sold directly, but there is much more to do. I look forward to working with Members in all parts of the House on promoting fish from their area to our eaters.

The fleet faces significant challenges, which the debate brought to our notice and which Government, regulators, scientists and the industry itself must continue to address. The diversity of the fleet is one of its strengths, however, and there are some extraordinary examples of individuals and regions seizing the initiative to make the industry more sustainable and profitable. They can be assured that they have the support of the Government and indeed of everyone in the debate.

Sir Charles Walker (in the Chair): Thank you, Minister. If Mr Mangnall would like to wind up, he has a couple of minutes.

10.53 am

Anthony Mangnall: I will be brief, Sir Charles, but thank you, and I thank the Minister for her response.

I will rattle through some of the comments that were made. The hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) was absolutely right to talk about the food that we can eat, and the Procurement Bill provides such an opportunity. Unfortunately, I am disappointed in the food strategy, which mentions fishing only four times and aquaculture only three. When it does mention fishing, it is deregulation from EU rules; it does not talk about how we can do better to get fish into the supply chain.

My hon. Friend the Member for South East Cornwall (Mrs Murray) made a vital point: we need certainty beyond 2026, beyond the transition period. People need to know where they are going to go and whether we will have the six to 12-mile limit back in our hands.

I loved the idea of lockdown lobster, and if the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) is happy to invite me, I will visit. She is of course right: that shows the innovative way in which our fishermen and our communities have been able to support local produce and get it into the market. There is more that we can do, and lessons such as that are ones that we can learn from.

My hon. Friends the Members for West Dorset (Chris Loder) and for St Ives (Derek Thomas) made the point about regulation.. I suspect my hon. Friend for St Ives may come up with his very own catchphrase, such as “tangled in nets, not red tape”. I am sure he can do better than me. As ever, I feel validated by the presence of the hon. Member for Strangford (Jim Shannon), who talked about the fact that fishermen are retiring because of the added level of bureaucracy. They feel they might just pack it in because it is becoming too difficult. We need to focus very carefully on that.

My hon. Friend the Member for Waveney (Peter Aldous) made the point that if we are to reduce the civil service, let us reduce the regulation and make it more coherent and easier to adopt. My hon. Friend the Member for North West Norfolk (James Wild) made the point about his smaller fishermen and invited us all to visit. I can think of nothing better than a cross-party visit to see what is going on in King's Lynn and other parts of his constituency.

The hon. Member for West Dunbartonshire (Martin Docherty-Hughes) made the point about where we might learn. I see no better way to strengthen the Union than by learning how to co-operate through hearing the experiences of Scotland, Wales and Northern Ireland, to ensure that across the United Kingdom of these islands, we have a coherent, successful fishing industry that is the pride of our country. I thank the Backbench Business Committee and everyone for their time.

Sir Charles Walker (in the Chair): We are ending a little early. I could have given each of you another 25 seconds.

Question put and agreed to.

Resolved,

That this House has considered the Inshore Fishing Fleet.

Driving Licences and Dangerous Drivers

[*Relevant document: e-petition 548682, Tom's Law—Give police the power to suspend driving licences.*]

10.57 am

Siobhain McDonagh (Mitcham and Morden) (Lab): I beg to move,

That this House has considered driving licences and dangerous drivers.

I am grateful to the Minister for her time today, given the sensitivity of the issues that we will be discussing. While the debate could have been called on behalf of any of the estimated 1,390 families who so very sadly lost a loved one to a road death in the last year, it is because of a grieving family in my constituency that I am here. Given their case is subject to an ongoing investigation, I recognise the rules of the House and the importance of ensuring that under the rule of law, judgment can be cast fairly.

I am sorry that I cannot lay out my constituent's case in full. My understanding is that someone has been charged and it is important that the case is not jeopardised, but I can assure the family and the Minister that I will return to this issue once I can speak more freely. What I can say is that in December last year, my young constituent was tragically killed in a car crash, leaving behind her devastated family. It is important to note that the circumstances of the case raise concerns about drivers being able to continue to drive unless and until they are found guilty of driving-related offences. Although I am here on behalf of my constituent and her family, I hope that the Minister will consider the wider principle that affects any family who loses a loved one to dangerous driving.

As it stands, there is no law to stop any dangerous driver continuing to jump in their car after a tragic accident unless and until they not only are charged but are found guilty. I make it clear to the Minister that, of course, I recognise and wholeheartedly support the justice system upon which our rule of law is built: crimes must be investigated in full and presented before a jury to cast an impartial verdict. My call is not for guilt to be presumed before innocence—it is right that the tragic death of my constituent be investigated in full and all the evidence presented—but we must recognise that waiting for a trial in such a case can take years. It is wrong to allow somebody to continue to take to the road while they face an accusation of and investigation for death by dangerous driving. For the protection of others, for their own safety and for the peace of mind of the bereaved family, the person accused of killing their loved one by dangerous driving should not be back behind the wheel.

I cannot begin to imagine the anguish, grief and despair that a family has to face when they receive that dreaded knock on the door. It is a message that no family should ever have to hear. The pain is unimaginable, but it must be made even worse by the knowledge that nothing prevents the accused dangerous driver from driving while an investigation is still under way. We cannot bring loved ones back, but we can change the law to ensure that, while under bail conditions, nobody accused of death by dangerous driving is back on the road until the investigation is complete. It is really that simple.

Although I am unable to go into the details of my constituent's case, I will tell the Minister about an investigation that has been completed. I understand from my hon. Friend the Member for Houghton and Sunderland South (Bridget Phillipson) that her constituent, Carol King, tragically lost her partner, Richard Jordan, in a dangerous driving accident on 4 August 2019. Carol and Richard's daughter was 19 months old when he died. Eleven days after burying her partner, Carol found out that she was pregnant, and she went on to have their second daughter in March 2020. The defendant was sentenced to six years and eight months' imprisonment, and was also banned from driving for three years following his release. That person, who had previous convictions for driving offences and is responsible for the pain of a mourning family, will be back on our roads in a matter of years.

As it stands, the current laws and framework do not allow for the immediate removal of a driving licence from a person who is arrested or charged in connection with an offence of being over the legal limit for drink or drug-driving. Why can the police revoke a driving licence from members of the public when they fail an eye test or—as in my sister's case—when they have an epileptic fit, but they do not have the power to remove a driving licence from someone who is driving when over the alcohol limit or under the influence of drugs?

Jim Shannon (Strangford) (DUP): I commend the hon. Lady on securing the debate. I support what she is trying to achieve, and I know that the Minister will respond positively. Does the hon. Lady agree that the change in the law that she wants for the UK mainland would be beneficial for all the regional Administrations? It would provide consistency in police enforcement and in the laws of the land.

Siobhain McDonagh: I completely agree with the hon. Gentleman. The change should apply across the countries of the United Kingdom.

Carol and her grieving family will be listening carefully to the Minister's answer. In preparing for the debate, I was interested to see that similar calls were made in this very Chamber in January, in a debate about police powers to suspend driving licences. It was heartbreaking to read that debate, and I truly commend those families who have had their lives turned upside down but who have channelled their grief into the fight for justice and into achieving change for others. It is clear from that debate in January that that includes the McConnachie family.

On 24 February 2019, Tom McConnachie was killed in a hit and run by a drink-driver, who left Tom fatally injured on the road. He then drove to Okehampton and set fire to the vehicle. The offender was able to continue driving for 11 months before being disqualified, as only a court can disqualify a driver. Tom's family are calling for police officers to be able to provide a suspension notice from the moment the offender is caught drink, drug or dangerous driving until they appear in court. It would then be for the judge to determine whether a ban continues or whether the offender can drive again.

As it stands, the police can impose bail conditions for particular purposes, one of which is to ensure that no further offence is committed while on bail. I understand that a driving ban as a condition of police bail may be

deemed appropriate for some cases. However, the remarks made by my hon. Friend the Member for Ilford South (Sam Tarry) in January's debate made clear that we simply do not know in how many instances a licence has been suspended while someone is awaiting trial, and whether police forces are making use of those powers or even regularly considering them.

Looking further back to November and yet another debate, the Minister of State, Department for Transport, the hon. Member for Pendle (Andrew Stephenson) promised that the Government were considering a review of road traffic offences and penalties, yet six months later we are still waiting for the review to get under way. A review could clarify or amend the definition of dangerous and careless driving. It could close the exceptional hardship loophole whereby drivers routinely avoid driving bans by pleading that it would cause them exceptional hardship—a plea that Cycling UK argues happens so frequently that it makes a mockery of the term “exceptional”. A review could also provide a chance to strengthen the penalties for hit-and-run offences where the driver leaves a victim for dead. Will we be back in this Chamber speaking on behalf of another grieving family in a few months' time?

I wish to briefly raise the concerns of another of my constituents, a class 3 mobility scooter user who fears that he could fall victim to dangerous or even non-dangerous driving on our roads. According to the highway code, he is allowed to use his mobility scooter only on the main road and not in cycle lanes. Understandably, he finds this unsafe and daunting, and the drivers of the vehicles that pull up behind him are equally frustrated as to why he is leaving the adjacent cycle lane empty while riding at his maximum speed of 8 mph. Does the Minister agree that that is an incredibly easy thing for us to resolve?

I conclude by turning our attention back to the grieving family in my constituency, who are watching today's debate at home. They did not want to be here today. The pain is still too raw for them. That may never change. Their ask is simple: that the anguish they are facing is not burdened on any other family, and that their dreaded knock on the door can be a chance for change, for the law to be amended so that anybody accused of death by dangerous driving is immediately taken off our roads. I hope the Minister will agree that that does not sound like too much to ask.

11.8 am

The Parliamentary Under-Secretary of State for Transport (Trudy Harrison): It is a pleasure to serve under your chairmanship, Sir Charles, in what is a very difficult debate—we need to be honest about that—but one that does need to be had. While the hon. Member for Mitcham and Morden (Siobhain McDonagh) has set out the reasons why she is unable to discuss the specifics of this ongoing and utterly tragic case, she can be assured that I have taken the time to study the details and circumstances of Lillie Clack's death. I have also studied the hon. Member's parliamentary interventions and I commend her for the diligence and determination that she has shown for her constituents—Lillie's family—and I offer my most sincere condolences as well.

I am grateful to the hon. Member for opening the debate about immediately suspending the driving licences of anyone who causes death while driving. Let me

reassure hon. Members that the Government take road safety extremely seriously. It is at the heart of the Department for Transport's agenda. Any death or serious injury is unacceptable. The Roads Minister, Baroness Vere of Norbiton, has met many families of victims of similar incidents, and she and I are aware of the devastating effects that such incidents cause to the families and friends involved.

I understand the tragic circumstances surrounding the death of Lillie Clack and I extend my sympathies to her family and friends. I also recognise the concerns that, in some cases, the police should be able to suspend the driving licence of an offender who is charged with causing death by dangerous driving. However, while we must do all we can to improve the safety of our roads, we must not make rash decisions that could ultimately make things worse or create other unforeseen effects in any kind of rush to resolve perceived problems with the law and how it operates.

Turning to the call for the suspension of driving licences and the current law, as set out in the Police and Criminal Evidence Act 1984, the police can already impose bail conditions to ensure that no further offence is committed while on bail, and a driving ban as a condition of police bail may be appropriate in some cases. Decisions on when to use those powers are operational matters for the police, who have to balance the rights of defendants not yet convicted and the potential benefits to public safety from reducing the risk of further offences. It is worth noting that the criminal courts also have the power to impose an interim disqualification in certain cases.

The Government are committed to tackling drivers under the influence of alcohol and drugs and ensuring that all such drivers are caught and punished. We have a combined approach of tough penalties and rigorous enforcement, along with the highly respected and effective Think! campaigns, which reinforce the social unacceptability of drink and drug driving and remind people of the serious consequences.

The hon. Member for Mitcham and Morden asked me to comment on recent Government measures. The Police, Crime, Sentencing and Courts Act 2022 includes provisions to increase the maximum penalties for causing death by dangerous driving and for causing death by careless driving when under the influence of drink or drugs to life imprisonment. The Act also introduces a new offence of causing serious injury by careless driving. The Act received Royal Assent on 28 April and the provisions will come into force on 28 June.

On minimum disqualification periods, we have changed the law to increase the maximum period of imprisonment and the minimum driver disqualification period for those who commit the most serious road traffic offences, which will ensure that those who commit the most serious road traffic offences are kept off our roads for longer. The increases will come into force at the end of June 2022, and will apply to the offences of causing death by dangerous driving and causing death by careless driving while under the influence of drink or drugs.

I want to be clear that the Government are not dismissing the concerns that have been raised today and, indeed, by other Members in previous debates. We are aware of the traumatic effects of such incidents, however rare, and we are prepared to act if we are satisfied that we should, in the light of responses to the

[Trudy Harrison]

forthcoming call for evidence on road traffic offences. We remain open-minded that more can be done in this area, but, without further work, we cannot assume that the solution proposed by the hon. Member for Mitcham and Morden is the only one, let alone the right one.

I am sure that hon. Members appreciate that this is a complex area, and that any change to the law should fit within the current driving offence framework. Officials from my Department have been exploring options that could be pursued in this area and will consider the points raised in this debate, as well as the information that comes as a response to the call for evidence.

With regard to any potential law changes for road traffic offences, we will need to consider the interests of victims and wider society and balance those against the rights of suspects. To explore those issues in full, the Department will conduct a call for evidence on parts of the Road Traffic Act 1988. While details of the exact scope are still being worked up, I can reassure hon. Members and the general public that the points raised in this debate on the suspension of driving licences will be considered.

Siobhain McDonagh: When the timetable is drawn up for that consultation, will the Minister or her colleagues make Members aware so that they can make contributions? It seems to me that, where someone dies in a road traffic accident and the driver is found to be under the influence of alcohol or drugs, it would be entirely reasonable to have a blanket law that applies to everybody to withdraw the driver's licence, and that that would not be making judgments about the eventual decision in court.

Trudy Harrison: The hon. Member makes a valid point. Most importantly, I can confirm that I will let her know about the timescales, the call for evidence and the conclusion date. I will also endeavour to keep her updated as we make progress. We can all agree that any death or serious incident is unacceptable, and it is my Department's aim to reduce such incidents as far as we possibly can. I believe that the call for evidence will seek to do just that, while balancing the interests of the suspect, the victim and society, for whom this is completely unacceptable.

Question put and agreed to.

11.17 am

Sitting suspended.

New Wealth Taxes

[SIR EDWARD LEIGH *in the Chair*]

2.30 pm

Richard Burgon (Leeds East) (Lab): I beg to move,

That this House has considered the potential merits of introducing new wealth taxes.

It is a real pleasure to serve under your chairship, Sir Edward. This debate could not come at a more important time. People face the biggest single-year fall in incomes in 70 years. We in this House often hear shocking statistics, including about the 2 million food bank parcels that are handed out and the 5 million people who have to choose between heating or eating. Behind each of those statistics, however, is a real person who is struggling, be they a mother who is refusing certain foods at a food bank because she cannot afford to cook them, a pensioner riding the bus to keep warm, or a parent missing yet another meal so that their children have just enough to eat to get through the school day. For some, however, this is not a crisis; it is a boom time.

Nadia Whittome (Nottingham East) (Lab): I thank my hon. Friend for securing this extremely important debate. As always, he is making a powerful speech. Britain has in recent years gained a record number of billionaires. Between them, they own £653 billion, which is about triple the annual operating budget of the NHS. During the pandemic, their wealth increased by more than a fifth. Does he agree that such wealth is obscene—especially in the midst of a cost of living crisis—and that we should do everything we can to redistribute it away from the super-rich, who have profited from the pandemic and rocketing prices, towards the workers who kept society running throughout and now face poverty and destitution?

Richard Burgon: As always, my hon. Friend makes a crucial point, and she is absolutely right: that is a moral imperative.

In the past few weeks alone, we have learned that the number of billionaires in Britain has risen to 177, and their wealth is now at record levels. Britain's billionaires have increased their wealth by a staggering £220 million per day over the past two years. On top of that, we have learned that bankers' bonuses are up 28% over the past year and are rising at six times the rate of wages. We have also learned that the bosses of Britain's top 100 companies have seen their annual pay increase to an average of £3.6 million. We have food banks for nurses in hospitals, but at the top of Britain's finance sector, the champagne corks are well and truly popping.

That phenomenon is not confined to Britain; it is global. The total wealth of the world's billionaires is now equivalent to 14% of global GDP—up threefold since 2000. The global wealth of billionaires has risen more in the past two years than in the previous 23 years combined. If we are to tackle inequality and hardship, we need to address our rigged economic model.

Mel Stride (Central Devon) (Con): The hon. Gentleman is making interesting points. I accept that there has to be a limit to the amount of wealth that can be accumulated

by a small number of individuals; I do not think anybody would argue that equity is not important to some degree. He mentions the global situation. Many countries have actually stepped back from wealth taxes, which they found did not work because they are bureaucratic and administratively difficult, and they ultimately did not raise the money expected. Austria, Denmark, Finland, Germany, Iceland, Ireland, Italy, the Netherlands, Luxembourg and Sweden have all tried wealth taxes and decided that they did not work. Why does he think that is the case?

Richard Burgon: I encourage the right hon. Gentleman to read the report I have here. It is by some top academics and makes a compelling case for a wealth tax in the UK. I will return to that point in greater detail later in my remarks.

Jim Shannon (Strangford) (DUP): It is not about someone getting more money for doing their job; it is about the obscenity of people getting large amounts of money when others are getting smaller amounts of money. People get six-figure dividends when others live on £10 an hour. That obscene disparity is the issue.

Richard Burgon: I could not agree more. We are talking about multibillion-pound enterprises with people at the top hoovering up the wealth, while others do not receive anything. Only yesterday, I and colleagues visited a picket line in Wakefield, where bus drivers are on strike; they are calling for £13.40 an hour. Many people will be surprised that they are not already on at least that sum.

To address our rigged economic model, we must first acknowledge that trickle-down economics has been a lie. Wealth is not trickling down; it is being funnelled up into fewer and fewer hands. That is a consequence of 40 years of deregulation, privatisation, outsourcing, driving down working conditions, the weakening of trade unions and lower taxes on the rich. Contrary to what is said by the spin doctors of the right, decades of keeping taxes low for the very rich has not boosted economic growth. In fact, research by the London School of Economics and King's College London looking at tax cuts over the past 50 years shows that lower taxes on the rich has led to higher income inequality because the top 1% has captured almost all of the gains, while there has been almost no effect on boosting economic growth.

Inequality and hardship are not just at the heart of our system—it is how our system is designed and how it functions. Poverty and inequality are structural and institutionalised. That is why we need a debate on wealth taxes. A wealth tax is an idea whose time has come.

Last year, the Secretary-General of the United Nations called on Governments to consider a wealth tax on those who had profited during the pandemic, to reduce extreme inequalities. The OECD has argued that there is a strong case for addressing wealth inequality through the tax system. The group Patriotic Millionaires has called on the Chancellor to introduce a wealth tax, saying:

“We know where you can find that money—tax wealth holders like us.”

Oxfam has also called for a wealth tax to rein in extreme wealth and monopoly power.

Sir Christopher Chope (Christchurch) (Con): Does the hon. Member realise that there is nothing to stop those wealth owners who support a wealth tax making voluntary contributions to the Exchequer?

Richard Burgon: I thank the hon. Gentleman for his illustrative intervention, but I would paraphrase a former Labour Prime Minister, Clement Attlee: charity as a substitution for taxation can be a cold, heartless model. We should not be depending on the voluntary generosity of those at the very top to fund our public services. That creates a scenario that is almost servant and master—blessed is the giver and blessed is the receiver.

The UK does not have a wealth tax. Ministers have previously responded to me by saying that in practice we do, through taxes such as capital gains tax, but, while those earning wages are taxed on every penny of their income above permitted allowances, the same does not apply to the accumulation of wealth. For example, capital gains tax does not apply to all wealth but only to increases in the value of particular items of wealth. Structurally, we tax income much more rigorously than we do wealth. Of course, that favours the wealthy, as it is designed to do. I am afraid it is simply not good enough to pretend that even that system is working.

Peter Grant (Glenrothes) (SNP): Does the hon. Member agree that the deliberate decision to increase national insurance contributions rather than other forms of income tax was a deliberate attempt to tax the poor rather than the wealthy for failings in the NHS?

Richard Burgon: That is absolutely right. The increase in national insurance contributions was iniquitous, regressive and absolutely outrageous, but from this Conservative Government, it was no surprise.

We currently have the scandal where income derived from wealth is taxed below income derived from work. For example, someone living off share dividend payouts would pay less in tax than someone who earns the same amount by getting up each and every day and going out to work. How on earth can that be justified? Likewise, capital gains tax, paid on profits when selling assets such as a second home, is paid below income tax rates.

There is huge scope for increasing tax revenues by ending the significant tax discounts afforded to income from wealth over income from work. Simply ending the lower rates paid on capital gains and share dividends, and removing the related exemptions on those taxes, would raise around £22 billion per year. That is a lot more than was raised by the national insurance tax hike on working people that we have just discussed.

Caroline Lucas (Brighton, Pavilion) (Green): I am grateful to the hon. Member for giving way, and I apologise for my voice. This debate is very important. People sometimes say that a wealth tax would not work because wealthy people would just up sticks and leave. Does the hon. Member agree that, actually, it is a matter of political will? If we chose to, we could levy an exit tax on vacating wealthy individuals, as they do in the United States. That would be a big discouragement for people to do that. Put simply, what is lacking here is political will—that is what is preventing us from attacking this obscene level of inequality, both here and around the world.

Richard Burgon: I could not agree more; it is a matter of political will. We often hear politicians using the phrase “tough choices”, but when they say that, they usually mean the easy choice of giving real-terms cuts on wages, benefits and pensions. The real tough choice—the real, morally correct choice—is to make those with the broadest shoulders pay their fair share at long last. It is important to note that more than half of all gains from capital gains go to just 5,000 people.

Before those on the Conservative Benches moan that such reforms are part of some kind of socialist plot, I remind them that Nigel Lawson raised capital gains tax rates to match income tax rates, and that it was a top recommendation by the current Chancellor's own advisers, the Office of Tax Simplification, in 2020. Other tax reforms that touch on aspects of wealth, such as the regressive council tax system, could also be reformed and replaced with a proportional property tax, as my hon. Friend the Member for Easington (Grahame Morris) has so passionately argued.

Beyond making taxes that apply to certain aspects of wealth fairer, it is time for a new one-off tax on the very wealthy. That was recommended in 2020 by the UK Wealth Tax Commission, which was packed with leading tax experts. It was the first such report undertaken in 50 years, and it is recommended—in fact, essential—reading for every Member of this House, in my humble opinion. It concludes that a one-off wealth tax would be fair, as those with the most wealth have the broadest shoulders to afford an additional contribution to society in times of crisis. It would also be efficient. A one-off wealth tax would not discourage economic activity, and the administrative cost would be a small proportion of the revenue raised. It would also be very difficult to avoid by emigrating or moving money offshore. It could raise vast sums to tackle the ills of economic hardship and inequality.

In fact, the commission says that without a one-off wealth tax, we will not tackle inequality because, while we are one of the most unequal countries in Europe on income distribution, inequality is even worse when it comes to wealth. Almost one quarter of all household wealth in the UK is held by the richest 1% of the population—people whose wealth is above £3.6 million. That is why, today, in this debate, I am calling for a one-off 10% tax on any wealth above £10 million. That could raise £86 billion, according to the Wealth Tax Commission.

Such a tax would hit far less than 1% of the population, but it could create a huge social emergency fund to help get people through this crisis and help rebuild the communities hit by a decade of austerity and the slowest pay growth in 200 years. I am sure that the Minister will reply with all sorts of obstacles, such as “Some people are cash poor but wealth rich, so how would they pay?” Well, the payment can be spread annually, or even deferred until assets are sold.

In conclusion, in the end it is not technical problems that we face but a lack of political will. Just imagine, Sir Edward, if the Government went after the tax of the wealthy as much as they piled taxes on working people. It is a political choice—a moral choice—of where to get the money from, how much, and when. Instead of letting the wealthiest off the hook while hiking taxes on

millions of workers who face a cost of living emergency, it is time for a wealth tax on the very richest in our society.

Several hon. Members *rose*—

Sir Edward Leigh (in the Chair): Order. Quite a lot of people have risen to speak, and I would like to give them all the chance to do so. I do not want to introduce a limit at this point, so I ask that you keep your speeches under six minutes.

2.44 pm

John McDonnell (Hayes and Harlington) (Lab): I congratulate my hon. Friend the Member for Leeds East (Richard Burgon) on introducing this debate. It is extremely timely and is given justification what our communities are experiencing.

I want briefly to run through a statistical portrait of our country. I have looked at some hard facts about the situation in our country. My hon. Friend has emphasised the importance of redistribution in tackling some of the real problems that many working people face. I have looked before at issues relating to poverty and I will reiterate some of the stats. There are 14.5 million people living in poverty and 4.3 million children growing up in poverty. According to the Institute for Fiscal Studies, there are 700,000 more children in poverty than there were a decade ago. The people who seem to be hit the hardest are families with children, and households with someone who has a disability. Interestingly, two thirds of children growing up in poverty are in households where someone is in work. What does that say about wages overall?

I have also looked at the issue as it relates to pensioners. Despite improvements—which I have welcomed, particularly that with regard to the triple lock, even though it was deflected this year—there are still 2.1 million pensioners living in poverty. There is no need for me to mention the massive increase in the use of food banks. A recent survey and report about children demonstrated that even children are skipping meals because their family cannot afford to feed them on a daily basis. An estimated 2.6 million are skipping meals in some form, and going hungry.

On fuel poverty, National Energy Action estimated that price rises would result in the number of households in fuel poverty increasing by more than 50% in April. The language has changed—we have not experienced until recent years—from a discussion about poverty into one about destitution. There are 2.4 million people who have experienced destitution, including 550,000 children. Destitution is the inability to provide the basics in life: a warm coat, shoes, heating and, of course, eating. That is what they are experiencing at the moment.

The housing figures are startling. On rough sleeping, 64,890 households are assessed as being homeless or facing the threat of being homeless. There are now 1 million on housing waiting lists. The figures on health inequality and poverty are staggering. The gap in life expectancy between our poorest and richest areas is 27 years.

As my hon. Friend said, the increase in the number of millionaires and billionaires is staggering. I looked at *The Sunday Times* rich list. Britain's super-wealthy have grown their combined fortunes by a record £710 billion

in just the past 12 months. As my hon. Friend said, there has been a nearly 30% increase in City bonuses. In March alone, £6 billion was paid out in bonuses.

Wages are facing the longest squeeze in modern history since Napoleonic times. The research published this morning demonstrates that wages are falling behind again, because of the high rate of inflation. One of the key elements of all of this is the insecurity that that engenders. We now have 1 million people on zero-hours contracts. That is not a society that any of us should be living in or should want to live in.

Somehow, we have to find a mechanism to address the grotesque levels of inequality that our community is now facing. Unless we shape up to that challenge, we will potentially have a change in the nature of our politics, as people get angrier and angrier. We know who exploits that anger: usually it is the far right more than anyone else. In addition to that, we will be ashamed of ourselves for not acting urgently on this matter.

Therefore, how do we ensure urgent action? Of course, I agree with all the policies to ensure that there is a long-term investment plan to get people into jobs that are high-skilled, highly productive and so on, but the link between people having a job and lifting themselves out of poverty has unfortunately been broken, particularly because of low wages. We have also seen the degeneration of our public services because of austerity over the last 12 years, and those public services are therefore no longer available to many people who once depended on them.

We have to introduce an emergency programme of measures to lift people out of poverty and secure long-term investment in our public services, and the redistributive element of a one-off wealth tax, which my hon. Friend the Member for Leeds East has put forward, is one component of the emergency programme that we desperately need. That way, we would be able to use resources directly to lift people out of poverty, to restore some of the cuts that have taken place with universal credit, and to make sure that people get properly funded, particularly if they are providing the public services that we desperately need at the moment. They must have decent wages.

Now is the time to consider all these options. I have always thought that the best mechanics for taxation in this country have been Tory Chancellors. If you look back on the decision to level up capital gains tax with income tax under Nigel Lawson, I think that was the right thing to do then, and it is the right thing to do now. It could give us anything between £17 billion and £24 billion, which would be more than was included in the national insurance increase. It could have covered the social care and health costs for which we need an injection of funds.

Rab Butler introduced an excessive profits tax in this country during the Korea war. It was not just a windfall tax on one sector; it was across the economy for anyone who was profiteering, and the money was put back into funding our public services and helping people out of poverty. All those measures are available to us.

In addition, we need to look at the City of London, because it is obscene the bonuses that are being paid out. Therefore, we need either a tax on those bonuses or a financial transaction tax, so that we have a regular income and the City pays its way. Because of the

appalling levels of inequality, the drift towards higher levels of poverty, and the implications that it has for so many within our community, the argument for a one-off wealth tax on that scale—affecting 1% of our population but supporting 99%—is unarguable at the moment. Therefore, there needs to be a proper consideration of it.

This is a Westminster Hall debate, but I hope that it extends beyond this debating Chamber and into the main Chamber, and that it becomes a feature of some of the demands in the run-up to the November Budget—the emergency Budget that we now need to tackle the real suffering that our community is experiencing at the moment.

Sir Edward Leigh (in the Chair): I remind Members, please, to keep under six minutes; otherwise, not everybody will get in.

2.53 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I thank my hon. Friend Member for Leeds East (Richard Burgon) for securing this important debate.

I shall start by reading an excerpt from a letter to Klaus Schwab, the Executive Chairman of the World Economic Forum. It reads:

“The scandalous rise in the cost of living across the globe is not an unfortunate accident. It is the result of dogged commitment, from governments all over the world, to preserving the power and wealth of a tiny minority over the needs of their voting publics. It is a stunning commitment to failure and a constant suppressant on our economic and social prosperity...We must face it. People do not trust democracy because the prevailing global oligarchy is rendering it pointless. No matter how many people vote, if governments continue to listen to wealth over sense, the votes and voices of everyday people are not heard.

If you want to defend democracy you have to face facts. The divide between the very rich and the rest must close. The rich must be taxed.”

People might think that those are the words of a social justice movement or a left-wing political activist, but nothing could be further from the truth. The letter was actually written by millionaires themselves—specifically, a non-party political network of millionaires advocating action on economic inequality and higher taxes on themselves. They include groups such as Patriotic Millionaires, the “Tax me now” initiative, Millionaires for Humanity and 99%-Initiative, who recognise that hard work and entrepreneurship should be celebrated, rewarded and encouraged, but that we cannot do that effectively in a broken economic system that fails to address the gross divide between those with extreme wealth and the majority of everyday people.

Those millionaires and, I suspect, many more decent people like them recognise that something skewed has been happening in our economy over recent years, and they are right. “Taxing Extreme Wealth”, a recent report by Oxfam, Patriotic Millionaires, the Institute for Policy Studies and Fight Inequality, found that in the UK alone,

“Between 2016 and 2021, the number of individuals with wealth over \$50 million increased from 4,375 to 5,330”.

The report also found that there were 56 billionaires in the UK, with wealth totalling \$204.9 billion, and that throughout the pandemic, while many people struggled, the wealth of British billionaires actually increased by

[Rebecca Long Bailey]

\$41.06 billion. Indeed, the five richest billionaires have the same amount of wealth as the bottom 40% of British society.

That phenomenon has not happened overnight. The global free market race for the most competitive national tax rate has seen the top rates of personal income tax and capital income tax rates decline since the 1980s in leading industrial nations, and the income share of the top 1% has significantly increased. On top of all that, the tax system in the UK is littered with loopholes that allow tax avoidance, and there is little resource for Her Majesty's Revenue and Customs to clamp down on tax avoidance or evasion. There are a number of inherent structural flaws, such as the absurdity that income from wealth is taxed at a lower rate than income from salary.

As we have heard today, the sad fact is that it does not need to be like this. We can take steps to reform our broken taxation system, and a wealth tax is one option to try to create such economic balance. Of course, there are many permutations as to how a wealth tax could be constructed: it could be an annual tax in tandem with wider, much-needed reform of our taxation system to address existing loopholes and structural flaws; alternatively, it could be a one-off tax in response to the covid pandemic and the cost of living crisis. Such detail requires deeper discussion than time will allow today, but I hope that it will be the next step after today's debate.

Even millionaires are warning us against the injustices that they plainly see in our economic system. Further, they are warning us to take seriously the threat that rising inequality poses to democracy. It is up to all of us, whatever our political stripes, to embrace tax changes that would limit inequality and give our constituents the quality of life they deserve.

2.58 pm

Sir Christopher Chope (Christchurch) (Con): It is a pleasure to serve under your chairmanship, Sir Edward. It is important to put the other side of the argument in this debate, albeit very briefly. It is fascinating to hear Members on the left of the Labour party campaign for even higher taxes when we already have the highest taxes this country has experienced during my lifetime. Like most Conservatives, I am in support of lower taxes, which is why I voted against the increases in national insurance. I agree with those who say that it was the wrong solution.

I want to encourage an entrepreneurial society. I want to have the wealth contributors active in our society. I have just come back from a parliamentary visit to California, where there is an enormous amount of wealth. California had a surplus last year of \$100 billion, which was largely on the basis of taxing the very high earners and the wealthiest people in California. However, we heard a cautionary tale. There is a worry that California's whole network of public services is now highly dependent on the income of such a small group of people and that, with the recession—when those people may lose a lot of their wealth—the income of California will drop dramatically.

I want to mention a couple of examples of wealth taxes that are already in operation. One is in the context of stamp duty. The consequence of arbitrary levels of

stamp duty is people being deterred from selling their houses—they choose not to incur the tax and stay in the house they are in. We need supply-side reform there to eliminate the problems caused by high levels of stamp duty. It is very easy to campaign and say, "That is a really expensive house. When you buy that house, you should pay a substantial amount of tax on it," but the consequences are—the unintended consequences, as so often arise with such measures—that we have actually succeeded in suppressing the housing market and individual choice.

The other issue, which is a big one in my constituency, is the proxy wealth tax, otherwise known as council tax, which is higher for those people who have more valuable properties. There will be some people who argue that it should be even higher for those with even more valuable properties. In my constituency, I have a large number of people who are, for want of a better expression, in council tax poverty. They face council tax imposed by Dorset Council in the order of, say, £4,000 a year, which is a heck of a lot more than 10% of their annual disposable income. It is a real pressure point at the moment.

Council tax is not a fair tax, because the taxes are not related to the use that individuals make of public services—it is a proxy wealth tax—but it sounded like a good idea at the time, as a reaction to the problems over the community charge. It is the law of unintended consequences that in Dorset, large numbers of my constituents are paying disproportionate amounts of money in council tax because of the system that is in place. Because their house happens to be worth more than a house somewhere in the north of England, they are deemed to be in a position to be able to pay more tax to the local exchequer than somebody in the north of England who might be very much better off.

Peter Grant: Will the hon. Gentleman give way?

Sir Christopher Chope: I know that Scotland was where we pioneered the community charge, so I would be happy to give way to the hon. Gentleman.

Peter Grant: I take issue with the hon. Gentleman's assumption that the council tax is a wealth tax. A lot of my constituents who do not own anything—who do not own the house they live in—still have to pay council tax. It is not a tax on ownership; it is a tax on occupancy.

Sir Christopher Chope: It is a tax related to the wealth of the property in which someone lives. If there is only one person living in that property, there is a 25% discount, but there is no discount otherwise. It is solely related to the capital value of the property, and that is why, in a sense, it is a wealth tax. I know that this is an inconvenient argument for those who are campaigning for a wealth tax, but let us be under no illusions: the council tax system is essentially an embryonic wealth tax, although the levels are much lower than the hon. Member for Leeds East (Richard Burgon) referred to in his introduction to the debate.

I do not know anybody who would be subject to the tax that the hon. Member for Leeds East suggests. He mentioned people who say they would love to be able to pay more tax. As I said in my intervention, there is nothing to stop all those socialist millionaires who have

a bit of a conscience and who are arguing that everybody else other than themselves should pay more tax making their own contribution. There is nothing to stop the hon. Gentleman setting up a trust fund into which they could pay, so they could then contribute more than they are able to contribute at the moment. Why not do that?

If people want to pay more towards the costs of the state and are in a position so to do, there is a voluntary system out there. I am sure the Financial Secretary to the Treasury, my right hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), will draw our attention to the fact that the number of voluntary contributions made to Her Majesty's Revenue and Customs is rather modest compared with what it could be on the basis of what those supposed billionaires want to do.

Let us keep the wealth creators in our country. Let us praise the work they do, the jobs they create and the contribution they make to our overall wealth as a nation. Let us not deter them and drive them away elsewhere. I am very much against a wealth tax and I hope the Minister will make it clear that it is in no way on the Government's agenda.

Sir Edward Leigh (in the Chair): We will have a five-minute time limit now. I call Claire Hanna.

3.4 pm

Claire Hanna (Belfast South) (SDLP): Thank you for calling me, Sir Edward. Thank you, too, to the hon. Member for Leeds East (Richard Burgon) for bringing forward the debate and for his advocacy on the issue.

Tax is a fundamental and necessary tool of the Government and, from my perspective as a social democrat, one that is not being adequately levied by the Government to address the huge and parallel challenges of poverty and wealth inequality. Wealth inequality is one of the most defining issues of our time and, like other seismic challenges, such as climate change, it will only be addressed by concerted, co-ordinated and internationalised action. It is being driven, first, by failures in the tax system to levy tax, and secondly, by evasion and avoidance, which is not just about short-changing the public purse but also has a distorting effect on decent, compliant and locally anchored businesses.

The UK and the world, as hon. Members have outlined, is not short of wealth. There is plenty to go around. The global economy has quintupled over the past three decades. However, due to regressive and outdated forms of taxation, that wealth is accruing in the hands of a tiny number of people at the top, while the wealth of those at the bottom is decreasing. Globally and in the UK, the tax system is essentially rigged for exactly those purposes. We know, too, that inequalities have worsened during the pandemic and, in parallel, that the cost of living has surged, the average salary is nowhere near keeping up and public services—health and education—have deteriorated.

The Government need revenue and they turn to tax—so far, so fair—but who or what they choose to tax reveals a mindset. A state can choose to tax either wealth or income and this Government have chosen to tax income—to tax work, when a wealth tax would garner more resource for the state and, in parallel, help address the issues of income disparity that are driving a lack of cohesion and hampering social solidarity. Taxing income alone will not raise the resource needed to be

genuinely transformative in those issues of poverty and climate change or, for example, the challenges within the health service. It will also do nothing to address the widening gap between the richest and the poorest, which, as others have outlined, is part of what is driving populism, fundamentalism and people feeling lost within the political system.

It is welcome that the Government are belatedly pursuing a windfall tax—even if we are not supposed to call it that—to address some of the property bonanzas, but that should not be limited to the energy sectors; the Government should also focus on an individual wealth tax. What do we mean when we speak about the wealthy? Before we even start to discuss at what level a tax is levied, what comes to my mind, when differentiating, is those whose income comes from assets such as rents and dividends, when the rest of society depends on labour and wages. It is wealth that makes money even when somebody is asleep, and often at a faster rate than the one at which many people are able to earn.

The enduring myths about wealth, which we will hear mentioned in this debate, include the idea that wealth taxes would slow down the economy, deter job creation and prompt capital flight. One myth is that, simply by existing, wealthy people create jobs; but we know that in fact it is demand that creates jobs. If we take a billion pounds and give it to one person, about 99% of that wealth will leave circulation. Yet that same billion, distributed among a million people, would continue to circulate around the economy, stimulating demand, and not be locked up in the hands of a small number. So the mega-rich are, in fact, taking capital out of society and spending it on the inflation of existing and essentially non-productive assets, such as land and property. That is what trickles down from the wealthy to the average person who is trying to buy a home to live in or raise their family.

The wealthy and their wealth will not just leave, either, any more than wealth is already leaving the public purse due to our complex and loosely regulated tax systems. A large amount of the wealth in this country is tied up in property; as the hon. Member for Brighton, Pavilion (Caroline Lucas) said, it cannot just up sticks and leave. Tax avoidance is not inevitable; it is a policy choice around where to levy tax and underfund enforcement. Things like the Panama papers and the Paradise papers have given more than enough evidence over the years to show that tax avoidance and evasion are standard practice around the world.

Last week, BBC programme “Spotlight” revealed a niche product called Northern Ireland limited partnerships, which are being exploited on a wide scale for people to avoid taxation and to get up to all sorts of nefarious purposes. One street in my constituency in south Belfast is home to 100 such Northern Ireland limited partnerships, which create not a single job or add a single penny to the Revenue, and which are up to all sorts. However, it was a choice not to close down that loophole.

Sir Edward Leigh (in the Chair): Order. I am afraid you are over time. I call Jon Trickett.

3.10 pm

Jon Trickett (Hemsworth) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate my hon. Friend the Member for Leeds East (Richard Burgon) on securing this important debate.

[Jon Trickett]

I will not reproduce figures already mentioned, but there has been an explosion of wealth, certainly since the banking crash, and before that, alongside a growth in poverty. The two things are interconnected, because the growth in wealth is a function of the increase in poverty. It reminds me of Victor Hugo's statement:

"The paradise of the rich is made out of the hell of the poor."

That is the truth of the matter, but it is not simply about poverty. It is also about remuneration for middle and upper-income earners as well as lower-income earners. The truth is that there is a long-term secular decline in the proportion of GDP that goes into wages and salaries. That is the central problem with which we need to wrestle, if we intend to tackle the fiscal crisis that state services are now facing. There are four sources of tax. There is income tax, which is more or less half of all tax raised. There is tax on consumption, which is VAT. There is tax on household property, the council tax. There is tax on capital. The tax on capital is one twelfth of the amount raised from income taxes, and is imbalanced as a consequence.

It is even worse than that. If the amount of money going into the salaries and wages of the 33 million working people in our country is correct—it is, because a graph shows it clearly—the capacity of income tax, which is the largest amount of tax we raise, will be limited and in long-term secular decline. We must do something about that, if we want to continue with public services and tackle inequality. Where is the money going to come from? I do not think for one second that we want to increase VAT in any event, but particularly given the cost of living crisis. Nor do I propose an increase in council tax.

Income tax is in long-term decline for the reasons I have given. Therefore, there is only one other place to go, which is to tax wealth. Two of my hon. Friends talked of a one-off tax on wealth. I am not convinced that that is the right way to do it. First, a very large amount of money, a proportion of individual wealth, would have to be raised on a one-off basis to make a significant contribution. In any event, there is a long-term fiscal crisis, for the reasons I have described. Therefore, we need a regular tax on capital.

I have a further point to make on that, and it has already been made. For some reason, we tax income from work much more than income from wealth. That is wrong, imbalanced, asymmetric and should end. There is scope to do that. I published a paper about a year ago, which is now in the Library, about wealth and a wealth tax. We looked at several different ways of taxing wealth, and there are many. We worked out the median of a reasonably balanced wealth tax, taking account of behavioural changes, because wealthy people will change how they behave. We thought we could raise about £100 billion a year. The document is in the Library for people to look at. That is the central argument that needs to be made. Of course, there is an ethical argument about whether one human can be worth millions of pounds more than another. There is also an argument about inequality, tackling poverty and all those issues, but the central question is how to deal with the long-term fiscal crisis.

I will make one final point before I sit down. The Conservative party will not resolve this. Why do I say that? Tory donors who are among the top 250 richest

people in our country have donated to that party £57 million. We all know that whoever pays the piper calls the tune. The Tories are not going to resolve the problem; they are part of the issue. There has to be a debate about these long-term problems, and a wealth tax is part of the solution.

Sir Edward Leigh (in the Chair): Dead on five minutes. Well done. I call Jim Shannon.

3.15 pm

Jim Shannon (Strangford) (DUP): Thank you for calling me to speak, Sir Edward.

People say times are hard. We have all said it. There is not one person in this Chamber who has not said it, and I am sure the Minister has said it as well—and meant it. Today, times are harder than ever. That is the situation we are living in today. I want to give an example of one person in my constituency to illustrate why we need to consider new means of raising funds through taxation. I support the thrust of what the hon. Member for Leeds East (Richard Burgon) has referred to, which is important.

A healthcare assistant in my constituency works three long days plus whatever overtime is needed on her ward at the Ulster Hospital. She is now paying £400 a month out of her wages for fuel. Her parking at the hospital, which she has to pay for, is £60 a month. Her rent is £750 a month, which is not exorbitant—that is the normal going rate for rental accommodation. Her food bill, while trying to eat healthily, is £500 a month. Her gas went up to £180 a month and her electric is £100 a month. That comes to a princely total of £1,990 just to be warm, eat and get to work, with none of the luxuries that she would probably like to have.

There is no subway for my constituent to get to work and no bus timetable that fits with her shift work. The list goes on. She said to me, "Jim, I want to have a child, but can you tell me how I can afford childcare, afford to dress and feed another person, and live a life?" Can anybody here tell me how to do that? I could not tell the lady. I am sure nobody else could. I have no answer for this lovely young lady. We in this place need to come up with the answer and put it into operation. That is what this debate is about today.

I understand that people have different qualities, experiences and abilities. Those who get a big sum of money, such as a brain surgeon, get a lot more money than the person who drives, with respect, a bin lorry. I understand that. Different jobs pay different moneys. What I object to is the obscene amounts of money that people get for bonuses. I am not saying that they should not, but if somebody gets a six-figure sum or a seven-figure bonus, I despair when I think of the people in my constituency who cannot get it.

The hon. Member for Belfast South (Claire Hanna) said we should tax such people at a level that does not screw them but ultimately means they make a significant contribution to the tax system. We could then put that money into the NHS and into education. All of us in this House would see that as a benefit and a way forward.

This is about how we can raise revenue to benefit families on the poverty line today without their grandchildren paying it off. Those who use tax avoidance legally withhold what they should morally pay. The right hon.

Member for Central Devon (Mel Stride), who is not in his seat, named companies that should pay their taxes. If they paid their taxes, the Minister would be in a position to use that money for the benefit of everyone in the United Kingdom.

I read an article last summer that highlighted the fact that eight large tech companies in the UK made an estimated £9.6 billion in profit from sales to UK customers in 2019; yet by moving that money out of the UK those companies ended up declaring a fraction of their profits in the accounts of their UK subsidiaries, radically reducing their tax liability. That is how they can make more money. If they paid their tax, the Government could do more with it. The companies were Amazon, eBay, Adobe, Google, Cisco, Facebook, Microsoft and Apple. They faced UK corporation tax liabilities of £297 million in 2019. That puts the total amount of tax avoided by companies in the UK at an estimated £1.5 billion in 2019, pre-covid and pre the difficulties and the changes that covid brought to businesses. There were £45.4 billion in revenues, £9.6 billion in profits, £296 million in tax paid, and £1.5 billion in tax avoided. Those are the companies that we should go for.

Have the Government estimated the cost of cutting fuel duty, for example, which lowers production and transport costs, saving businesses and consumers money that they can put back into the local economy? This is an issue that we must consider. We must do more to encourage these billion-pound businesses to do the right thing by the consumers from whom they make their money. If ever there was a time to ask and then legislatively demand of businesses that they live up to their obligations, it is now. I ask the Minister, who I believe is a compassionate lady who understands the issues, to put together a team designed to do that. We should not borrow more money for our grandchildren to be paying off over all their lifetime. The time for action is now. Let us change the legislation, make these big companies pay, and use that money for the benefit of everybody.

3.20 pm

Ian Lavery (Wansbeck) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. Congratulations to my hon. Friend the Member for Leeds East (Richard Burgon) on bringing this very timely debate to the Chamber.

I am possibly naive, but I really believe that there is good in everybody—I really believe that. But I see the inequalities and disparities in the way in which this very, very wealthy nation distributes its finance, and it is having an impact on me. I am worried. And I am thinking about how politically naive I actually am, because I honestly believe that most people in the House of Commons, most elected representatives, want to do what is right for the people in this country, but that is not happening.

The economic model is rigged—it is grotesque. The inequalities, the disparities, are there to be seen. We did not need reports; we do not need professors' reports or experts' reports. MPs can see this in their constituencies. They can see it on their streets. They can see it in the housing stock. Why are bankers' bonuses 28% higher and rising six times faster than the wages of an average worker? As my right hon. Friend the Member for Hayes and Harlington (John McDonnell) said, £6 billion was

paid out in March. This is at a time when we have people—just go outside the doors of the Commons to see this—lying on the streets. They cannot afford food and are struggling merely to exist. It is grotesque. I resent anybody who would support such a system. Why do we have such imbalance? Why do we have these billionaires who could never spend the money that they have amassed if they lived for four or five centuries? At the same time, we have children in poverty. We have 2.6 million children skipping meals; we have their parents skipping meals, because the family income is not enough. Yet the number of billionaires increase—they increase and increase—at the same time as people cannot switch the electricity on in their homes. What needs to be expressed in such simple terms that it cannot be misunderstood by people in this House? While the rich get obscenely richer—this is not rhetoric; it is fact—we are seeing people at the lower end of the income scale suffering so much.

We live in a very proud nation. I am very patriotic, but being patriotic does not mean to say that we wave the Union Jack flag and sing the national anthem. I think that being patriotic means looking after the people in our country and ensuring that they have the basic human rights in life—that they can keep themselves clean, have a roof over their heads, have enough to eat, and have a decent income to have a decent lifestyle. That definitely is not the case now. That cannot be argued against here. It cannot be argued against, because the facts and figures have been put before us in this debate by the speakers. We still have 2 million people using food banks. We still have families claiming benefits. We have families having to use food banks and people in work claiming benefits and using food banks. It is totally unacceptable in a democracy—in a nation such as the one we are very proud to represent—that these grotesque inequalities continue to occur. They cannot continue; let us show some humanity.

3.25 pm

Beth Winter (Cynon Valley) (Lab): I congratulate my hon. Friend the Member for Leeds East (Richard Burgon) on securing this debate, and other colleagues, including my hon. Friend the Member for Hemsworth (Jon Trickett), who have campaigned tirelessly for a wealth tax. The debate is vital and timely, particularly during this cost of living crisis. As others have said, we are one of the richest nations on the planet, yet we have some of the most shocking inequalities. On the one hand, we have City financiers cashing in on above-inflation income rises through bonuses and multinational corporations spending billions paying dividends to shareholders. On the other, the Government are holding down incomes from public sector pay, pensions and social security, and the use of food banks at the moment is astronomical. Over the past decade, public services have been stripped to the bone because the Government claim they cannot afford to pay them.

I have just completed a cost of living survey in my constituency of Cynon Valley. We had a huge response: over 650 people responded, and their stories were harrowing. The levels of anxiety, despair and misery are unbelievable. Some 90% of people said that they felt worse off than they did 12 months ago; 40% said that they would not put the heating on; and 50% said that they would be cutting down on essentials such as food. We have allowed

[Beth Winter]

poverty to become normalised, at a time when banks, energy companies and multinationals have more money than they know what to do with.

The reality is that more often than not, those with the capacity to pay a greater amount of tax pay proportionately less than those who are less able. Recent statistics published by the Office for National Statistics show that the top 10% of individuals hold almost 50% of all wealth in the country. Inequality is also geographical: the figures on individual total wealth by region in this country demonstrate an enormous disparity between the wealth in London and the south-east of England, and the levels of poverty in areas such as mine in the country of Wales and in the north of England. In my constituency, before the pandemic, the median weekly wage of a full-time worker was £80 less than that of the typical British worker. Wage rates are such that in 2020, more than a quarter of local residents were estimated to be earning less than the real living wage. These are not people who we can tax more to fund public services, which is why it is unacceptable that income from wealth is taxed less than income from work.

Others have already given examples of respected think-tanks and colleagues in the House who have identified the mass of wealth that could be subject to greater taxation. For example, in 2019, the Institute for Public Policy Research proposed that income from dividends and capital gains be incorporated into the income tax schedule, estimating that those changes could raise up to £120 billion of additional revenue over five years. The report of the Wealth Tax Commission found that a one-off 1% wealth tax on the richest could raise £260 billion in the UK over the next five years.

The Welsh Government have made it clear in their programme for government that they are committed to growing their tax base and developing further effective tax measures to ensure that the interests of local people are protected. They have begun that process by increasing taxation thresholds on second homes in Wales, and are making the case for tax devolution in Wales. This has to include ensuring that the profits from the Crown Estate in Wales go directly to Welsh governments—currently, that is UK tax in Wales, but the Welsh Government should have access to it.

I will finish with a quote from a constituent who responded to the cost of living survey. Behind all the statistics, as we often say on this side of the House, there are real people:

“Life genuinely doesn’t feel like living any more. I feel guilty for bringing my children into this awful mess of the world.”

Is that a society that any of us want to be living in? I do not think so. Shame on us as a society. Shame on this Government. We need to introduce a wealth tax now.

3.30 pm

Peter Grant (Glenrothes) (SNP): I am pleased to begin the summing-up for this debate. I congratulate the hon. Member for Leeds East (Richard Burgon) on securing the debate and for the well-informed and passionate way in which he introduced it. That goes for all the speakers. I had issues with some comments from the hon. Member for Christchurch (Sir Christopher Chope), who has not been able to stay to the end, but he put his points across with a great deal of vigour, as always.

I think what we are looking at here is a fundamental difference of opinion on who the wealth is for. Who is the world’s wealth for? Who should have first claim on the natural resources of any country? Historically, Britain has taken the view that it does not belong to the people in that country. That is what the colonies were about. That is what the slave trade was about. There is an assumption that is still deep in the British psyche that somehow Britain is better than everybody else, that, “We’ve got a right to impose on them; they don’t have a right to impose on us.” We see the same attitude in arguments about who has the right to enjoy the benefits of the resources of this or any other country.

I see that locally, in my own constituency of Glenrothes in the centre of Fife and throughout west and southern Fife, with the legacy of the coal mining industry. For the few, it generated massive fortunes. For the many, all it generated was memorials and early graves. Many of my constituents are still, to this day, permanently disabled by diseases they caught while working down the coal mines.

Then there is the legacy of North sea oil and gas—I say the legacy, although that is not fully known yet, because there is still plenty there to be used should we decide to do so. Norway discovered gas at about the same time as we did. The Norwegian sovereign wealth fund is today worth \$1.2 trillion dollars. Norway does not have a national debt, it has a national fortune that it almost literally struggles to find places to invest, equivalent to £184,000 for every man, woman and child in Norway. Scotland’s equivalent sovereign wealth fund from our North sea oil riches is nil, as it is for other parts of the United Kingdom. The entire fortune was frittered away almost entirely on tax breaks for people who already had more money than they knew what to do with.

As has been commented on, the United Kingdom has more billionaires today than ever before and, at the same time, it has more people than ever before genuinely wondering if they will go hungry this weekend. That cannot be right. In five years, the wealthiest 20% of people saw their income increase by 4.7%. The poorest 20% of people saw their income go down by 1.6%. Not only is the wealth and income gap obscenely large, it is getting bigger all the time.

Even during the pandemic when millions of low-paid workers in the public and private sector were going well beyond what they could reasonably be asked to do to keep the economy going, keep us safe and keep public services going, the top earning 1% of employees saw their income increase by 7%. For the bottom earning 10%, it was just over 2%. Seven per cent. of a salary of half a million pounds a year is a heck of a lot more than 2% of £10 per hour.

Oxfam has reported that the fortunes of individual food and energy billionaires has increased by \$453 billion in the last two years. One reason why fuel prices are escalating just now is not the requirements of the market, but the naked greed of a small number of individuals and corporations who have decided to take advantage of international crises to increase their own fortunes.

At the same time, this Government choose to employ eight times as many people to chase benefit cheats than they employ to chase tax cheats. Why is that? Because this Government still cling to the philosophy that there is something intrinsically wrong with having to claim

benefit and there is something intrinsically wrong with having to pay tax, so we should chase down people who might be fiddling their benefit claim, but, if people are fiddling their tax, unless it is really blatant or unless it becomes impossible to ignore politically, we will not be too worried. We have just over 500 people to deal with large-scale tax fraud against HMRC. We will never get anywhere near full recovery of the money, and the reason can only be that they do not want to.

The rising levels of inequality are not inevitable; it does not have to be like this. They are not an accident, and they are not the natural order of things. It is an artificial situation that has been deliberately created over time by Governments here and elsewhere. Keeping the inequalities and allowing them to get bigger and bigger by the day is a deliberate political choice by the Government of the day. I am not suggesting for a minute—nor, I suspect, is the hon. Member for Leeds East—that a wealth tax on its own will solve all that, because it cannot. No individual measure can solve inequality to the extent that we have it in these four nations, but surely it is time to send out a signal that the purpose of taxation is not to give people who have too much money even more. It is to provide for those who cannot afford to provide for themselves. There is a significant necessity and urgency about that just now.

United Kingdom Government debt, as it stands, is unsustainable and that cannot be allowed to continue. There are three ways to deal with it: we can raise taxes; we can cut public spending, although I cannot think of a single part of the public sector that needs to be cut, and I can think of a lot that desperately need more resources; or we can take steps that will help to grow the economy, which is a longer-term ambition that will not happen overnight. There is an imperative to increase the amount of tax that is raised somehow, but the Government have chosen to do that by punishing people for being low paid. They are punishing people for going out to work, and punishing businesses for taking on additional employees by increasing national insurance. The Government had a choice to increase other taxes, which might have upset the Chancellor's friends but would have left the vast majority of people in these four nations better off as a result.

There is not a single thing called a wealth tax that is necessarily good or bad. There is a lot of detail that needs to be considered, and it is quite right that nobody has put forward a specific plan as to exactly what should constitute wealth, where the tax should start and what level it should be put at. Those are all things that need to be looked at in detail and, once the wealth taxes are introduced, that will inevitably become part of the Budget considerations for future Chancellors. However, given the level of inequalities that we have just now, and given that there are people resident in these four nations who sometimes try to pretend not to be resident and who literally have more money that they could possibly spend during their lifetime, no matter how hard they try, surely it is only reasonable to ask them to give up a tiny fraction of their massive wealth to protect people who have been through the mill over the last two and a half years, many of whom have made massive sacrifices. Surely it is time to start giving these workers the salaries that they deserve and to start to reinstate the public services that so many citizens urgently require.

3.38 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): I congratulate my hon. Friend the Member for Leeds East (Richard Burgon) on securing the debate, and I thank all hon. Members for their contributions.

Taxation is high on the political agenda right now for a number of reasons, but particularly in the United Kingdom because we are the only country in the G7 to be putting up taxes on incomes in the middle of the cost of living crisis that we are going through. We often hear about the global factors behind some of what we are experiencing—for example, the opening up of the global economy after covid, or Russia's invasion of Ukraine. Of course those factors are contributing to inflationary pressures in many countries, but specific factors in the UK have also made our situation more difficult, such as the Government's decision to allow the closure of our biggest gas storage facility, our exposure to short-term energy spot markets and, as well as the national insurance increase, the decision to freeze personal allowances for five years, which creates more taxes on incomes as inflation rises. The combination of price rises and tax rises was specifically cited by the OECD last week in its forecast, which projected UK growth next year to be the lowest in the G20 with the sole exception of Russia.

The Government's incoherence on tax has been highlighted in this House in one fiscal statement after another over the past couple of years. First, the tax rise was announced, then a change in thresholds, then a cut promised in two years' time. Then there was a debate within the Conservative party about whether that cut should be brought forward from two years' time. I thought the hokey-cokey was a dance, not a description of Government tax policy, but that is how it has felt over the past 18 months.

All that chopping and changing has served only to undermine whatever coherence there might have been in policy, and whatever credentials Ministers tell themselves that they have for sound management of the economy. In fact, the electorate could be forgiven for feeling that they have been asked to be unwilling participants in the Chancellor's conversation with himself about whether or not he is a tax cutter. In his corporation tax announcement he declared the death of the Laffer curve in the explicit rejection of his predecessor's justification for cutting corporation tax.

No amount of disclaimers at the end of Budget statements can change the reality of the Government's decisions or their effects. With inflation at its highest in 40 years, the cost of living crisis is causing immense hardship, as we have heard from many colleagues. The Office for Budget Responsibility expects the fall in living standards this year to be the largest in living memory.

Another most basic thing to say about the Government's tax changes is that they are a clear breach of their 2019 manifesto, which said,

"our plan is to cut taxes for the lowest paid through cutting national insurance."

National insurance has gone up—it has not been cut. The Prime Minister might assume that no one takes him at his word. After all, why would they? But this rise is the opposite of what he said he would do. Now we know that the Government have also frozen the personal allowance for five years, too.

[Mr Pat McFadden]

Let us turn to some of the other taxation options in front of people. The Government have followed our plan to introduce a windfall tax on oil and gas producers' profits, although they cannot bring themselves to call it that—it is the policy that dare not speak its name. Beyond that, there is more that the Government could do to make the system fairer. The Chancellor, for example, could address some of the tax loopholes that deprive the public finances of much-needed funding that could be paid by some of those most able to pay. I take one example that we have announced: the way that private equity bonuses, otherwise known as carried interest, are treated. These substantial sums are given as bonuses to private equity partners and are taxed at the lower rate.

3.43 pm

Sitting suspended for a Division in the House.

3.55 pm

On resuming—

Mr McFadden: Just before the Division bell went, I mentioned our proposals for changing the tax treatment of private equity bonuses. Let us also look at the use of non-dom status to avoid paying UK tax on worldwide earnings. The principle that we adopt on this issue is very simple: if someone makes the United Kingdom their home, they should pay their tax here. Our constituents do not have the luxury of engaging in international tax arbitrage to pay tax in the jurisdiction of their choice. They cannot pay a fee to exercise that choice. That is why we say that non-dom status should be abolished. It simply is not right that those at the top can benefit from an outdated, 200-year-old tax break while most people are struggling with tax rises and the cost of living crisis. The changes we have proposed would bring us into line with other major economies, such as Germany, Canada and France, and create a system that takes into account people who are genuinely here to work for a few years on a temporary basis.

As the economy has changed, the tax system should change too. In business taxation, when it comes to domestic and international companies and the balance between physical and digital companies, the old system of assuming that every business is a physical business based in one country has become out of date. We see tax arbitrage in this world too, with companies shifting profits around to the jurisdiction of their convenience. We see high street businesses and British companies that pay their fair share struggling as large multinationals avoid paying their taxes through the shifting of profits around the world. That is one reason we support the international minimum corporation tax and want the agreement reached on that to be ratified and put into practice. It is also why we want the current system of business rates in the UK to be replaced with a new system of business taxation that is fit for the 21st century. That new system would create a more modern balance between the physical and the digital and between local high streets and out-of-town locations.

The overall tax burden is now the highest it has been in 70 years, while our economic growth rate in the last 12 years has been anaemic. Those two things are related. If the country does not generate enough economic growth, that affects our fiscal position and the incomes

people can earn. If the country had continued with the rate of growth in the first decade of this century under the Labour Government, earnings would be thousands of pounds a year higher and the country's fiscal position would be distinctly healthier. I am not the only one who has noticed it—as the former Financial Secretary to the Treasury, the right hon. Member for Hereford and South Herefordshire (Jesse Norman), made clear in his letter ahead of last week's no-confidence vote, he believes that the Prime Minister has “no long-term plan”, and that view is shared on both sides of the House.

I will finish with a word about wealth creation, which has been mentioned in the debate, and what it is. Any serious party of Government must support wealth creation just as much as fair wealth distribution. But what is wealth creation? It has to be more than simply the ownership of assets. Wealth creation is the combination of great ideas with great effort. When we see a company in our constituency that has a great product or service—we probably all know one—we want that company to provide good work, reward its workers fairly, succeed and make a profit. That is wealth creation. It is not simply the ownership of assets. If we support that wealth creation and create the wealth the country needs, we should match that to fair taxation that can give us the public services that underpin a good society. It is that combination of wealth creation and a good society that we will continue to support.

3.59 pm

The Financial Secretary to the Treasury (Lucy Frazer):

It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate the hon. Member for Leeds East (Richard Burgon) on securing today's important debate. I know that he and others feel passionately about it, particularly—as many have mentioned—at a time when households up and down the country are struggling.

I propose to start my response by talking about the tax system and the degree to which wealthier individuals already pay a significant—and proportionately significantly greater—amount in tax. However, before I do, I want to recognise the important contribution that many wealthy individuals make to the UK economy. The Conservative party—this Government—supports entrepreneurship; we support wealth creation and we support ensuring that successful businesses in our constituencies contribute to our local and national economies. However, we also understand the importance of ensuring that wealthy individuals make a fair contribution and pay the tax that is owed.

That is not just our thinking of the moment; it is the way we have dealt with this issue for a number of years. We already have a very progressive income tax system, with the top 5% projected to pay nearly half of all income tax in 2021-22. The hon. Member for Leeds East mentioned the top 1%, and he may know that they will be paying more than 28% of all income tax.

The hon. Member for Hemsworth (Jon Trickett) mentioned other taxes, and the principles I have set out apply well beyond income tax, with several other taxes on wealth across many different economic activities, including the acquisition, holding, transfer and disposal of assets and income derived from assets. Those all generate significant revenue for the public purse. For instance, for this tax year—2022-23—the OBR estimates

that there will be inheritance tax revenues of £6.7 billion, capital gains tax revenues of £15 billion and property transactions taxes of £17.1 billion.

The Wealth Tax Commission's July 2020 report found that, taking the narrowest definition of a tax on wealth—that is, inheritance, estate and gift taxes—UK taxes on wealth were about average compared with other G7 countries. At the same time, Government policy is, and will continue to be, highly redistributive in the round. In 2024-25, on average, households in the lowest income 10% will receive more than £4 in public spending for every £1 they pay in tax.

The hon. Member for Christchurch (Sir Christopher Chope) made some interesting points about the downside of higher taxes. That is why we are committed to ensuring that we are a low-tax economy.

The hon. Member for Leeds East mentioned the Wealth Tax Commission's report. That was an important piece of work, which set out a significant amount of detail. The hon. Member for Salford and Eccles (Rebecca Long Bailey) suggested an annual wealth tax, but she may be aware that the commission rejected the idea of an ongoing wealth tax, charged on an annual basis, for a range of reasons. It is true that it saw some potential merit in a one-off wealth tax, as the hon. Member for Leeds East said, but that does not provide long-term revenues for the future.

Rebecca Long Bailey: Is the Minister aware that the report did discount an annual wealth tax, and looked at exploring the possibility of an annual wealth tax if it was done in tandem with overall reform of our taxation system? Does she agree that our taxation system is long overdue an overhaul?

Lucy Frazer: The Government are making changes to the tax system, including through a number of measures to ensure that those on the lowest pay are paying fewer taxes. The Wealth Tax Commission identified that there would be some advantages to a one-off tax, but it acknowledged:

“although one can point to entirely new taxes introduced within the recent past, there are none on this scale.”

This is not a matter of lack of political will, as the hon. Member for Brighton, Pavilion (Caroline Lucas) suggested. This is not a measure that we would bring forward, for a variety of good reasons. Denis Healey, a Labour Chancellor of the Exchequer, came to understand that later in life, when he wrote of his time in office in the 1970s:

“We had committed ourselves to a wealth tax; but in five years I found it impossible to draft one which would yield enough revenue to be worth the administrative cost and political hassle.”

Jim Shannon: In my contribution, I referred to eight companies that have purposely avoided tax, without breaking the law, by moving their money overseas. Amazon, Google, Apple and Facebook are four of those eight. Have the Government any intention to put pressure on those companies to ensure that they pay tax? All the people of the United Kingdom could then get the benefit of that through education, health and betterment.

Lucy Frazer: The hon. Gentleman makes an important point. This matter needs international action, and he will know that international action is being taken. More than

130 countries signed up to a new international corporate tax framework in October 2021. That will help to ensure that multinational businesses pay their fair share, with the right companies paying the right amount of tax in the right place.

The hon. Member for Leeds East talked about capital gains tax. We recognise the importance of preserving the incentive for individuals to invest in this country and grow the economy, when they can choose to spend money in any jurisdiction. Having said that, we also recognise the importance of ensuring that a fair amount of tax is paid from assets through capital gains tax.

We have made a number of steps to reform both the dividend tax and the CGT regimes. For example, in 2016, the Government reformed the old, complex system of dividend taxation, simplifying it at the same time as increasing effective rates. In 2018, we reduced the tax-free dividend allowance from £5,000 to £2,000 per annum. In 2020, the Chancellor cut the lifetime limit of CGT entrepreneurs' relief from £10 million to £1 million.

I would like to touch on the context in which this debate is taking place and the cost of living pressure on families, because those issues are important, as was recognised by many Members, including the hon. Member for Leeds East, the right hon. Member for Hayes and Harlington (John McDonnell) and the hon. Members for Strangford (Jim Shannon) and for Cynon Valley (Beth Winter). The hon. Member for Wansbeck (Ian Lavery) made a passionate speech, recognising the need to look after other people. That is exactly what the Government are trying to do, within the constraints and the global economic position we are in.

We are trying to support other people through our recent announcement of a £37 billion support package. We want to ensure that those who cannot work get support. We are taking a number of measures through the restart and kickstart schemes to ensure that people get into work and can support themselves. We are then ensuring that they are paid properly in work, and hon. Members will know about the increase in the national living wage and our measures to cut taxes to ensure that those in the lowest income brackets get sufficient sums when in work. We are also upskilling people so that they can increase their pay.

Ian Lavery: Does the Minister agree with the hon. Member for Christchurch (Sir Christopher Chope), who suggested that very wealthy people and companies should only pay extra, if indeed they choose to do so, in the form of a donation?

Lucy Frazer: My hon. Friend the Member for Christchurch was right to identify that that option is available, if people choose to take it. The Government have set out our tax regime, and that option is available to those who wish to pay more tax.

I was touching on the cost of living, which is important. As many Members have said, this is not just about statistics; it is about people. To give an example, a single mother with two children who works full time on the national living wage will receive £2,500 a year in additional support because of the measures we have taken. On the subject of statistics, the right hon. Member for Hayes and Harlington did mention some, but our latest statistics show that in 2020-21 1.2 million fewer people were in absolute poverty than 10 years earlier, in 2009-10.

Peter Grant: Will the Minister give way?

Lucy Frazer: I would love to, but I am coming to the end of my time.

Sir Edward Leigh (in the Chair): We have to finish at 4.12 pm. Would you allow the mover of the motion two minutes?

Lucy Frazer: I am happy to give way.

Peter Grant: Thank you, Sir Edward, for intervening on my behalf. That is the second or third time that the Minister and her colleagues have quoted figures on how much better off certain people will be because of changes to the tax and benefits system. They have not yet been able to answer the question of how much of that additional income has already disappeared because of the increasing cost of the basic essentials of life.

Lucy Frazer: I anticipated that point, which is an important one, and we will of course bring forward more statistics for this year in due course.

Sir Edward Leigh (in the Chair): Order. Minister, could you allow one minute for the mover to say something?

4.11 pm

Richard Burgon: Thank you, Sir Edward. It has been a fantastic debate, and I thank everybody who has attended it and contributed. I want to pick up on two quick points. First, my hon. Friend the Member for Hemsworth (Jon Trickett) raised the issue of how annual wealth taxes could work, and those are an important part of the debate too.

Secondly, they often say that the Back Bench speaks what the Front Bench thinks. That is not always true, but in the case of the hon. Member for Christchurch (Sir Christopher Chope), I think it is. However, he is wrong. He has said, "Let's keep the wealth creators in this country. Let's not drive them away." But those who create the wealth in our society are the 99%. Let us be on their side.

Question put and agreed to.

Resolved,

That this House has considered potential merits of introducing new wealth taxes.

Hinckley National Rail Freight Interchange

4.12 pm

Alberto Costa (South Leicestershire) (Con): I beg to move,

That this House has considered plans for the Hinckley National Rail Freight Interchange.

It is a pleasure to serve under your chairmanship, Sir Edward. I would like to thank Mr Speaker for granting this debate and to welcome the Minister to her place. I also thank colleagues for joining me in this important debate, which touches on issues that affect all our constituents.

In South Leicestershire, we have a proposal—not unlike proposals in other constituencies—for a railway interchange. Let me first add some context. The plans for the Hinckley national rail freight interchange include the construction of an 850,000 square foot logistics hub to the south of the village of Elmesthorpe in my constituency. As a rail freight interchange, it will have the means to be serviced by freight trains as well as heavy goods vehicles. It will be built with access to the existing two-way railway line between Birmingham and Leicester, allowing for freight train entry, and with local road access for HGVs.

The planned site for the Hinckley rail hub would, in its totality, encompass 440 acres of land—for scale, that is about a quarter of the size of Gatwick airport. That area is currently beautiful, rolling south Leicestershire countryside. The site will neighbour the historic and picturesque county villages of Elmesthorpe, Stoney Stanton, Sapcote, Sharnford, Aston Flamville, Potters Marston, Croft, Huncote, Thurlaston and Wigston Parva—collectively and colloquially referred to as the Fosse villages.

My constituents in the Fosse villages contend with overburdened infrastructure at the best of times. There are already heavily congested roads in the area, many of which are narrow and winding and therefore quite unsuited to the levels of traffic that would be seen should this awful proposal be approved, given the HGV traffic entering the site and the alleged approximately 8,000 employees who would be trying to enter it for work.

Dame Andrea Leadsom (South Northamptonshire) (Con): My hon. Friend will be aware, because we have discussed this before, that a strategic rail freight interchange is under construction in my constituency of South Northamptonshire. Just as he has outlined, however, it covers an enormous area, including a greenfield site, and it borders beautiful villages and residential areas. In fact, now that it is starting to be built, it turns out that Network Rail cannot find the promised rail links that were part of the plan, and my constituents are saying to me, "We told you so. We said it would never be a rail freight interchange; it is just about yet more logistics warehousing." I am grateful to my hon. Friend for allowing me to put that on the record, and I encourage him to fight against this until there is a proper national framework in place that can stop this type of development-led abuse of local communities.

Alberto Costa: I thank my right hon. Friend. She brings a great deal of experience to this debate and is an enormous champion for South Northamptonshire. I welcome her contribution, which will certainly help other colleagues understand what the future of this proposal might hold.

I want to touch on some of the areas that might be affected. First, there is the environmental impact that such a site will have on the local area. I am very pleased to see my hon. Friend the Member for Bosworth (Dr Evans) in the Chamber today, along with my hon. Friend the Member for Rugby (Mark Pawsey), whose constituency borders mine. The application proposed directly borders the constituency of my hon. Friend the Member for Bosworth. Undoubtedly many colleagues and many of his constituents in Bosworth will be acutely aware of his vigorous and steadfast campaign to oppose the development. The nearby Burbage Common and Woods, a site of special scientific interest, which is based in his constituency, is a beautiful 200-acre area of woodland and grassland, and a place enjoyed and frequented by our constituents. It is also home to rare wild flowers, over 20 species of butterflies, over 100 different species of fungi and 25 different species of mammal. The rail freight interchange proposal for construction is right next to that important common, and without doubt the development would have a hugely detrimental effect on that area of natural beauty.

I have already mentioned the importance of the applications' impact on other Members' constituencies, particularly with regard to the issue of infrastructure such as that around Fosse villages. However, with little information available as to how HGVs will service the site or how the 8,000 alleged new employees will make their way there at all hours of the day, there is a very real and pressing concern among my constituents that their local area, villages and streets are at a real risk of being overburdened.

Mark Pawsey (Rugby) (Con): My hon. Friend is making a strong case in respect of a very substantial development of warehousing. It is obvious which route many of the HGVs will take: one junction on the M69 and then on to the A5, which we know is a strategic road. We had a debate in this Chamber only a few weeks ago to consider the entire upgrade of the A5 in the midlands. Does my hon. Friend agree with me that the proposal should not be permitted to proceed without the complete dualling of the A5?

Alberto Costa: I could not agree more with my hon. Friend. He is absolutely correct. We have been debating the importance of that particular road in this Chamber, in the Commons Chamber and elsewhere among the parliamentary community and with Government for years now. It would be risible if the Government approved the rail freight interchange without dualling the A5, as has been requested by hon. Members over many years.

Europe's largest logistics park, Magna Park, is in very close proximity to where it is proposed the Hinckley rail freight interchange will be developed. Also, there are already a number of rail freight interchanges within relatively close proximity to the planned site. We have the Birmingham intermodal freight terminal, which is a mere 16 miles from the village of Elmhurst. The Daventry international rail freight terminal or DIRFT

is located a mere 20 miles away, the Hams Hall rail freight terminal is 24 miles away, the Burton rail terminal is 26 miles away, East Midlands Gateway is 29 miles away and Northampton Gateway is only 36 miles away. However, as we have just heard from my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom), with her wealth of experience, we are seeing that that is perhaps a fig leaf and not quite a rail freight interchange, but more an excuse for a large-scale logistics park. We also have the Birmingham Freightliner terminal, which is only 36 miles away. It cannot be right to burden another part of the midlands with another very large rail freight interchange. The Government must develop a strategy this year on where the location of these rail freight interchanges will best service our country.

Dr Luke Evans (Bosworth) (Con): My hon. Friend is making a powerful speech. Is that not the exact point? This is not about nimbyism; it is about having a national strategy so we can achieve our net-zero goals while protecting our communities. Up and down the land, rail freight exchanges will be going in higgledy-piggledy with no true thought as to how we should tessellate this all together.

Alberto Costa: I absolutely share the concern of my hon. Friend the Member for Bosworth (Dr Evans) and he reemphasises the need for having a national framework policy for the location of the sites. I am not the only one making the point. Other hon. Members have made the case for siting these big infrastructure projects in their logical place, near the ports and airports that import into the United Kingdom the freight that is then distributed across our country. It is frankly bordering on ludicrous to site so many of these rail freight interchanges in the geographic centre of our country. It makes no sense other than to the developers. I urge Government to think very carefully about their future strategy on where rail freight interchanges should be sited.

I want to emphasise the point that some developers purport that they are applying for a railway freight interchange, when in fact it is a fig leaf for just another enormous logistics park. While I appreciate that the Minister is not responsible for the siting of general logistics parks, she must bear in mind the experience of my right hon. Friend the Member for South Northamptonshire. The danger is that on application they may appear to be rail freight interchanges, but they might turn out in practice to be simply another large-scale logistics park. Given that my constituency already has the doubling of Magna Park Lutterworth, making it Europe's largest logistics park, at what point do we say that enough is enough? As my hon. Friend the Member for Bosworth correctly said, this is not about nimbyism, it is about fairness and justice and about ensuring that the Government's priority of protecting our beautiful country is met in practice. It is not a decision that will be led by local Government; it is a decision that will be taken by central Government and by the Minister.

I want to give time to my hon. Friend the Member for Bosworth to make a few points as well—

Sir Edward Leigh (in the Chair): Order. There are no other speeches in this half-hour debate.

Alberto Costa: I thought there was the potential for my hon. Friend the Member for Bosworth to make a speech, if that were permitted.

Sir Edward Leigh (in the Chair): It is most unusual. He can make an intervention.

Alberto Costa: In that case, let me carry on and say that the level crossing at Narborough is already viewed by many residents as something of an inconvenience. It is currently closed for 20 minutes per hour at peak time. If the rail freight interchange goes through, the closure is expected to double to 40 minutes every hour. The people of Narborough and the surrounding villages cannot accept that. That would be a burden too far. It is tolerated at the moment because the railway station at Narborough is an important transport hub for local people, but to have the level crossing down for 40 minutes of every hour is simply unacceptable. It would be a considerable source of disruption for local people.

I mention gently to the Minister, who does a good job overall in her Department, that my team and I have tried and failed to get a meeting with the Secretary of State on this big issue. To hide behind the cloak that this is a quasi-judicial decision and therefore we cannot meet is nonsense. The Department meets the developers, and the developers are able to meet civil servants. Why are MPs and other stakeholders objecting to the proposal prohibited from meeting civil servants?

Dr Evans: My hon. Friend continues to make a fantastic speech. Does he agree that this needs a joined-up approach from the bottom-up? Our constituents, the parish councils, the borough councils, the county council and the MPs are all saying exactly the same thing. In my survey when we sent out 12,000 leaflets, 96% of the responses were against the proposal. That surely must count for something.

Alberto Costa: My hon. Friend makes another excellent intervention. All the stakeholders are putting forward very reasonable reasons why it would be a dreadful error for the Minister and her team to approve the Hinckley rail freight interchange. They must be listened to. The points being made by local government, charitable groups and parish councils are not nimbysism; they are about fairness and practicality. The rail freight interchanges should be located in different parts of the country where the freight comes into the United Kingdom.

As I said, I have asked for several meetings; I appreciate the Minister has not been in post for long, but I would appreciate if she would confirm that she will meet me, my hon. Friend the Member for Bosworth and the stakeholders to discuss the application. If she does not meet me, will she explain why? Will she follow up with a letter so that I can take that up directly with the Prime Minister? Half an hour ago, I had a meeting with the Prime Minister's No. 10 team in which I raised this issue and was promised that it would be looked into. I ask kindly that the Minister gives a clear response on whether she will meet me and the stakeholders to discuss the concerns about the rail freight interchange.

I entirely share the very understandable concerns of my constituents about the plans for the Hinckley national rail freight interchange. The fantastic district councillors for the Fosse villages have been working tirelessly on

behalf of local residents to oppose the proposals. They have attended every public meeting and engagement event. I pay tribute to the brilliant work of councillors Maggie Wright, Iain Hewson and Mike Shirley, as well as excellent Conservative-led Blaby District Council and its leader Councillor Terry Richardson, who have been vociferous in doing their utmost to stand up for local people and voice their very reasonable collective concerns.

I also pay tribute to the Friends of Narborough Station group, the Save Burbage Common group and the Elmsthorpe Stands Together group—all collections of local people who have volunteered and devoted much of their free time to opposing the plans, and who have been terrific and tireless in doing so. I thank, in particular, my hon. Friend for Bosworth and his team, alongside my team, for the excellent work that we continue to do together to represent our constituents on this issue.

It goes without saying that the reasons against the proposal are varied and multiple but are all of equal importance. With little or no legislation in place for the provision and placement of these logistics hubs, I fear for rural areas like South Leicestershire, which already carry their fair share and do their part. They are at a significant risk of being overburdened with gross overdevelopment. I ask my right hon. Friend the Minister and the Department to look into this matter urgently, to take the concerns of my constituents seriously and to see that the plans for the Hinckley national rail freight interchange are given, at the very least, the necessary scrutiny that they both require and deserve.

4.30 pm

The Minister of State, Department for Transport (Wendy Morton): What a pleasure it is to serve under your chairmanship today in Westminster Hall, Sir Edward. I thank my hon. Friend the Member for South Leicestershire (Alberto Costa) for securing this important debate on proposals for the Hinckley national rail freight interchange, which I understand is currently at pre-application stage.

I thank my hon. Friends the Members for Bosworth (Dr Evans) and for Rugby (Mark Pawsey) and my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) for their engagement on this matter and their contributions and interventions in the debate. This is an important issue and I welcome the representations made by my hon. Friend the Member for South Leicestershire reflecting his constituency interests. I ensure him that we will continue to listen to all views on this matter.

As my hon. Friend will be aware, it is for Tritax Symmetry, the company proposing the development at Hinckley, to decide whether and when to submit a development consent order application for the scheme. Should it choose to submit an application, the Planning Inspectorate will decide if it should be accepted. If it is, my hon. Friend and his constituents will be able to make further representations on the scheme and take part in the examination process.

Dr Evans: The Minister is absolutely right that it is Tritax Symmetry. Some of its consultations have raised real concerns and we have made several complaints about the way in which the consultations took place.

She may not have the answer to hand, but I would be grateful if she would be able to set out what rebuttals we may have as national legislators to make sure that the process is followed to the T and that complaints do not happen again.

Wendy Morton: I will set out in the process in a bit more detail, but if there are specific technical points I am happy to follow up in writing on what I can and cannot do, given the constraints. I encourage my hon. Friend and his constituents to fully engage with the formal DCO process and to submit comments when appropriate to do so to ensure that they are considered and accounted for in the decision-making process.

As described in the responses to several letters in recent months, the Secretary of State for Transport is the decision maker for all applications for transport DCOs. Decisions on DCO applications are quasi-judicial and need to be based on planning matters only. I hope my hon. Friends will appreciate that in anticipation of an application being submitted it would not be appropriate for me to take part in any discussion on the pros and cons of the proposal. That is to ensure that the process is followed correctly and remains fair to all parties.

Before I set out the Government's policy in relation to the development of strategic rail freight interchanges or SRFIs, I want to provide some important context for today's debate. The Government recognise the important benefits that rail freight offers to the UK. It plays an important role in helping the Government to meet our greenhouse gas legislative targets, as it is one of the most carbon-efficient ways of moving goods over long distances.

On average, a rail freight train emits around a quarter of the carbon dioxide emissions of a heavy goods vehicle per tonne per kilometre travelled. The sector also delivers economic and social benefits through cost savings to industry, as well as employment and reducing congestion, with rail freight resulting in around 7 million fewer lorry journeys each year. Industry estimates that rail freight provides £2.5 billion in economic and social benefits to the country, 90% of which is likely to accrue to freight customers and wider society outside of London and the south-east.

This Government are committed to the growth of the rail freight sector and recognise the role of rail freight in helping us to achieve net zero carbon emissions by 2050 and supporting resilient supply chains. We have invested £235 million in improving capacity and capability for rail freight during 2014 and 2019, and we continue to explore the case for further investment to the rail network enhancement pipeline.

We also continue to provide £20 million of funding per annum for a freight grant scheme to support the carriage of freight by rail and water on routes where road haulage has an economic advantage. That is expected to remove the equivalent of 900,000 heavy goods vehicles from our roads, and that equates to saving 52,000 tonnes of carbon dioxide emissions.

I take this opportunity to highlight the drivers of the need for strategic rail freight interchanges, which can all be linked to the broader objective for rail freight. The right infrastructure needs to be in place to support our ambition of achieving growth and the benefits that I mentioned. Although rail freight makes up only 9% of the total goods moved in the UK, it is nevertheless an

important part of building resilient supply chains. It is, therefore, a Government priority to support the sector in its endeavours to help us to get critical goods, such as medicines or supermarket supplies, to where they need to go. We hope to set out soon a future of freight plan outlining how Government intend to support the sector as a whole.

Dr Evans: The Minister has paused at a perfect point. Am I right in thinking that there will be a strategy for the location of these rail freight interchanges, given the plan she is bringing forward?

Wendy Morton: As I have said, I will not be drawn into what the future of freight plan will set out, as I am sure my hon. Friend will understand. However, I can say that the plan will be coming forward and it will outline how we intend to support the sector as a whole.

Mark Pawsey: Will my hon. Friend the Minister give way?

Wendy Morton: Can I make progress, or is the intervention related to that point?

Mark Pawsey: My intervention is about that point, and to ask if the Minister could address the point that my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) raised about guarantees. The Minister is making a strong case as to why freight should move from road to rail, but what guarantees can she give that the granting of any application will result in the provision of a rail freight terminal? My right hon. Friend indicated that that was the basis of an application that was granted, but the rail link has not been created.

Wendy Morton: As I have said, we will have to wait until the plan comes forward. In broader terms, I want to touch on the way in which hon. Members—particularly my hon. Friend the Member for South Leicestershire—and their constituents can engage in the process of consultation.

The national networks national policy statement outlines Government policy to support the development of an expanded network of SRFIs and considers such infrastructure at a certain scale to be of national significance. It states that there is a

“need for an expanded network of...SRFIs”

and provides a framework for developers to bring forward proposals through the nationally significant infrastructure projects regime if they are deemed operationally and commercially viable.

On the process for considering development consent orders for SRFIs, first and foremost it is important to remember that all applications for DCOs need to comply with the relevant legislation, as set out in the Planning Act 2008, and policy, which are tightly bound by statutory timescales. The application and examination into a proposed development is undertaken by the Planning Inspectorate on behalf of the Secretary of State for Transport. The Planning Inspectorate will decide whether the application meets the required standard before proceeding to an examination.

Part of the consideration the Planning Inspectorate must undertake in deciding whether the application can progress to examination is whether it has fulfilled its

[Wendy Morton]

statutory duty to consult with local communities and local authorities affected by the scheme; that is important. Indeed, community engagement is fundamental to the operation of the NSIP regime. Developers are required to consult extensively before an application is submitted and considered. Where consultation has not been carried out in line with the statutory requirements, the Planning Inspectorate can refuse to accept an application.

Local authorities and communities also have the right to be involved during the examination of a project. They can set out their views in written representations, which will be taken into account in decision making. With that in mind, I reiterate that it is essential that my hon. Friend the Member for South Leicestershire and his constituents take every opportunity to make their concerns heard as part of the consultation process. That includes any concerns regarding Narborough railway station, which he mentioned in his speech today, the level crossing in the village, or any perceived impacts on the local road network.

The Planning Inspectorate has six months to carry out the examination of the proposed development, and a report of the findings and conclusions on the proposed development, including a recommendation, is then issued by the Planning Inspectorate to the Secretary of State. The Secretary of State then has three months to issue a decision on the proposal. If for any reason a decision cannot be issued on time, a written ministerial statement, setting out a new deadline, will need to be read out in Parliament.

To conclude, the rail freight sector is vital to the prosperity of the UK economy and delivers important environmental and social benefits. An expanded network of strategic rail freight interchanges is key to harnessing the benefits of rail freight, and the Government support the development of this work. Although the Government do not specify where the locations should be, it is for private sector developers to bring forward proposals that are viable, and have regard to the guidance of the policy statement. As set out in the Williams-Shapps plan for rail, the Government are committed to exploring “ways to enable future Strategic Rail Freight Interchanges to be located more appropriately around the country.”

Question put and agreed to.

Future Hydrogen Economy

4.42 pm

Jacob Young (Redcar) (Con): I beg to move,

That this House has considered the future hydrogen economy.

It is a pleasure to serve under your chairmanship, Sir Edward. Hydrogen is the most abundant element on Earth. The word “hydrogen” derives from “hydro”, meaning water, and “gene”, meaning producing, which is apt, as the product of burning hydrogen in oxygen is pure water. As I will go on to explain, in an era when we are ever more conscious of our carbon emissions and greenhouse gases, hydrogen provides a solution.

The purpose of this debate is, first, to take us on a journey back to the future—we do not need a DeLorean unless it is hydrogen powered—because just as hydrogen is a fuel of the past, it will be a fuel of the future, too. The three primary areas that I want to touch on today are hydrogen for heating our homes, in transportation and freight, and its use in the decarbonisation of industry. This is where I make a link from past to future. For decades, we heated our homes with town gas, containing more than 50% hydrogen; hydrogen was used to power engines throughout the 19th and 20th centuries; and hydrogen, as a by-product in many industrial processes, has been used as a fuel in furnaces since the beginning of the industrial revolution. In recent times, we have turned our gaze to what were once thought to be cleaner and safer fuels, such as methane, and to fuels that have always been easier, such as petrol and diesel, but we know that we cannot go on like this.

The global challenges that we face in relation to climate change and tackling carbon emissions are well worn arguments that I do not intend to go over today. To achieve net zero, we have to realise the hydrogen economy, and even the Government’s own analysis sees 20% to 35% of UK energy consumption being hydrogen based by 2050. To get to that point, a range of vital steps need to be taken to recognise the potential of hydrogen as an innovative solution to our problems, as it was in the past, while realising that technological improvement, increased safety, innovation and popular support make this element even more beneficial than it was before.

An easy first step to take is to ensure that we have the right regulatory regime to support a future hydrogen economy. We must make changes to the gas safety management regulations to allow hydrogen to be blended within the gas network up to 20%. That has already been proven to be safe through programmes such as HyDeploy and the ongoing blend at Winlaton in Gateshead. By blending in 20% hydrogen within the gas network, we can immediately begin decarbonising our gas network, with no impact on consumers and minimal impact on the network, but with a high impact on our emission savings—an estimated 6% saving in heat alone.

That brings me to my next ask of the Government, which is to mandate the roll-out of hydrogen-ready boilers as early as possible. The roll-out of hydrogen-ready boilers, much like that of high-definition-ready TVs, will allow us to install millions of boilers in people’s homes in the coming years, so that we are already ahead of the game when the time comes to decide whether to use 100% hydrogen in the gas network. Some 1.7 million boilers are changed in the UK every year, so if we were

to mandate the use of hydrogen-ready boilers today, half of all homes in the UK that are currently connected to the gas network would be ready for the hydrogen switch by 2030, with no additional cost to the taxpayer. This is a no-lose scenario, because even if the Government decide not to go ahead with 100% hydrogen in the gas network, the boilers will continue to function as normal on natural gas.

That brings me to my next ask of the Government, who are rightly seeking evidence through a hydrogen village trial. As the Minister knows, Redcar was successful in receiving Ofgem's approval for the next stage, alongside Ellesmere Port in the north-west. Over the next year, both Redcar and Ellesmere Port will be putting together their business cases for why their projects should get the go-ahead. Subject to any business case, the Minister should consider greenlighting both proposals. As I said in a debate in this Chamber a few weeks ago, we do not want a hydrogen village; we want a hydrogen UK, and having as much evidence as possible from the trials in Ellesmere Port and Redcar will allow us to progress.

I want to quickly turn to hydrogen in transport, which I believe is vital. Although the Minister is not directly responsible for this area, I would love to see him working alongside the fantastic Under-Secretary of State for Transport, my hon. Friend the Member for Copeland (Trudy Harrison), on amending the renewable transport fuel obligation to include all types of low-carbon hydrogen. Hydrogen has the ability to transform both freight and passenger travel, but it is locked in the same chicken-and-egg situation that we faced with electric cars. Were it not for the roll-out of charging points up and down the country, I do not think we would have seen the electric vehicle take-up that we have.

Today, there are more than 40,000 publicly available electric charging points across Great Britain, compared with a measly 14 hydrogen refuelling stations. Clearly, a key component of expanding the use of hydrogen in both freight and passenger vehicles requires the scaling up of refuelling stations, and I am pleased that decision makers are beginning to recognise this opportunity. In Teesside, we have the UK's first hydrogen transport hub, which includes an expansion in hydrogen refuelling stations, with one already based at Teesside airport and plans for the UK's first hydrogen trains to run on the Saltburn-to-Darlington local line.

The final key point that I would like to address is the role that hydrogen can play in decarbonising industry if we provide the storage and distribution networks required to meet its ambitions. I was so pleased to see the Government double their hydrogen targets to 10 gigawatts by 2030, and we in Teesside stand ready to produce a significant portion of that through investments from BP, Kellas Midstream and EDF. There is no use in producing all that hydrogen if it has nowhere to go, however, which is why Project Union—National Grid's endeavour to create a hydrogen backbone that spans the UK, hopefully starting in Teesside and linking to Humberside—is so important.

As well as distribution, we have to consider storage by looking at underground salt caverns, like those of SSE, and Centrica's proposal to turn the Rough reservoir—once the nation's main gas storage—into our future hydrogen store. To do that, however, we need to look at the regulation in this area, and a decision needs to be made this year to avoid having to decommission Rough

in line with the North Sea Transition Authority requirements. In my view, the Department for Business, Energy and Industrial Strategy should consider extending Rough's role in methane storage in the short to medium term, thereby preventing decommissioning, but Rough will be key as the UK's undersea hydrogen storage in the long term.

I hope I have given the Minister some food for thought. Hydrogen is not a groundbreaking fuel of the past; it offers revolutionary potential for the future. In 1874, Jules Verne wrote:

“Yes, my friends, I believe that water will one day be employed as fuel, that hydrogen and oxygen which constitute it, used singly or together, will furnish an inexhaustible source of heat and light, of an intensity of which coal is not capable.”

We can realise his vision through nurturing innovative and pioneering partnerships between Government and industry to help us to harness the fuel of the future, achieve net zero and build a future hydrogen economy.

4.50 pm

Christian Matheson (City of Chester) (Lab): What a great pleasure it is to serve under your chairmanship, Sir Edward. I congratulate the hon. Member for Redcar (Jacob Young) on securing this debate and on an excellent opening, which really set the scene. It reminded me that the last time I took part in a debate on hydrogen in this Chamber—I think the hon. Member for Warrington South (Andy Carter) was in his place then as well—the Government had not yet decided where they were going to place their favour. The current Secretary of State, who was then the Minister for business, energy and clean growth, responded to that debate. I urged him not to make it into a beauty contest, but to spread the investment around. To be fair to the Government, they have done that, and I welcome the support that they have given.

I find the debate on hydrogen somewhat depressing. Many people in what we might term the green lobby, with whom I share a lot of aims and values, look on the hydrogen project in my area with disdain because it is the wrong type of hydrogen; it is blue hydrogen, not green. I wish people would get behind the programme for all the reasons that the hon. Member for Redcar has just set out, but also because of the basic fact that we are not where we want to be. We are not going to get there yet, but the current proposals—whether for the cluster in the north-east or in my area, with the Mersey Dee Alliance on the Cheshire coastline—will be a stepping stone on the way to those aims.

There is clearly a gap in energy at the moment. Offshore wind provides only 2% of our electricity. I have to say to the Government and Conservative Members that I would increase onshore wind as well to help with the production of hydrogen. However, for all the reasons the hon. Member for Redcar mentioned, I still think that hydrogen is the way forward, particularly in my area, where there are lots of energy intensive users. It is well known that in the small area of coastline that stretches from Eastham through Ellesmere Port—just north of Chester, I hasten to add—and around through Runcorn and Widnes, 5% of the nation's entire electricity is consumed in about 14 miles. That is why my area is such an important place for hydrogen investment.

The HyNet North West scheme, which I support, has been demand-driven by big industry in our region. Incidentally, one reason for that is that it differentiates

[*Christian Matheson*]

companies for their customers. I have heard about one manufacturer, whose customers are looking to ensure that their supply chain is greened and becomes net zero, taking us forward in that aim. Anything that can reduce the industry's carbon footprint—even a step towards that aim—should be welcomed.

I agree with the hon. Member for Redcar that we need to double the 2030 aspirations. Production of 10 GW is good, but at the moment we might not have more than 1 GW available on either coast. There is real demand, particularly from industrial users, to go faster, to increase pace and ambition and to improve storage and distribution capacity; the hon. Gentleman made that point perfectly. It is great making all this hydrogen, but if we have nowhere to put it and nothing to do with it, it is, frankly, a waste.

I have talked about industrial users, but I make a plea for commercial and passenger vehicle usage. I wrote an article not long ago with the hon. Member for North Antrim (Ian Paisley), in whose constituency Wrightbus is based, about potentially having a Government scrappage scheme for older passenger buses and passenger coaches to help to convert them to hydrogen more quickly.

I was very fortunate to go on a delegation to the United States a couple of weeks ago, through the British-American Parliamentary Group, to look at electric and autonomous vehicles. They are absolutely seeing hydrogen as a complementary technology that will play its part, next to fully electric vehicles, particularly, again, for long-distance distribution—lorries, essentially—and for buses. They are well ahead of us.

I will finish by making a plea, and a plug, to the Minister. My area, which is a cross-border area—Cheshire, Merseyside and north Wales—operates the Mersey Dee Alliance. We try to break down the barriers that exist politically and administratively, but do not exist for businesses, to get the most strategic approach. Energy has been one of our big areas of interest and investment.

The Mersey Dee Alliance, which runs that cross-border area, is seeking £150,000 to undertake a feasibility study into the establishment of a UK hydrogen demonstration skill centre, to be located in the University of Chester's Thornton science park, in the constituency of my neighbour, the hon. Member for Ellesmere Port and Neston (Justin Madders). The proposal has been made in partnership with the University of Chester, HyNet, the Mersey Dee Alliance, our local authorities and the Welsh Government.

The proposed hydrogen demonstration centre has its origin in the Mersey Dee Alliance's strategic partnership with HyNet, the proximity of the University of Chester's Thornton science park to the plentiful hydrogen supply at the Essar refinery in Stanlow, and the pressing need to switch the fuel of our local economy's industrial base from carbon-based sources to blue hydrogen, with carbon capture and storage, of course.

The intention of the proposed centre is to support the transition of the UK economy from using carbon-based fuels—

Sir Edward Leigh (in the Chair): Chris, I need to get others in, so if you could just—

Christian Matheson: My apologies, Sir Edward—a very gentle nudge. Let me just put in a plug for that proposal, and ask the Minister that, when it comes across his desk—it is currently at official level—he looks on it kindly.

Several hon. Members *rose*—

Sir Edward Leigh (in the Chair): I do not want to impose a time limit, but I want to let everybody speak, so please keep your remarks down to five minutes—have a look at the clock. I call Peter Aldous.

4.57 pm

Peter Aldous (Waveney) (Con): Thank you, Sir Edward; I will do what I can on that. It is a pleasure to serve with you in the Chair. I congratulate my hon. Friend the Member for Redcar (Jacob Young) on securing this debate.

The Government have adopted a cluster approach to the promotion of the hydrogen economy. I fully understand the rationale for doing so, but the regulatory framework must be sufficiently flexible, so that more decentralised areas, such as the east of England, are able to realise their full potential. That way, we can not only more readily realise our decarbonisation goals but create new and exciting jobs.

In East Anglia we have a real opportunity to be a major producer, user and exporter of hydrogen. We have an abundance of resources, infrastructure—both on land and at sea—that can be readily retrofitted, and developers keen to step up to the plate, provided that the right policies are in place. Hydrogen East, last month, produced its proposal and proposed next steps for developing a clean hydrogen cluster in the east of England, which I shall forward to my right hon. Friend the Minister for his bedside reading.

I shall briefly highlight the projects that have already been initiated and outline those bigger opportunities that are at the design stage, which can have a national—and quite likely an international—impact. There are some exciting projects, as I said, that are already in the pipeline that highlight the role that hydrogen can play across the East Anglian region. Those include the Freeport East project centred on Felixstowe and Harwich, which could see the early adoption of hydrogen for portside related operation and other local uses.

In Lowestoft, in my constituency, there is the Lowestoft PowerPark project, which can lead to hydrogen being used to power municipal buses and the refuse fleet, as well as the development of flexible generation, or flexgen. There is also the Bacton energy hub project, using the infrastructure laid down over 60 years to serve the oil and gas industry in the southern North sea. In addition, work is ongoing on the switchover of agricultural and other off-road vehicles, especially in remote rural areas.

Those schemes are very much paving the way and laying the foundations for larger projects, including the development of electrolysis capacity in conjunction with nuclear energy and heat to support the proposed development at Sizewell C, which will be the first ever major construction project to use hydrogen vehicles at scale.

Cadent and National Grid's new project, Capital Hydrogen, which is due to be launched in the autumn, will produce hydrogen in East Anglia not only to serve

homes and businesses in the area, but to power London. Cadent has also identified five points in the east of England where hydrogen could be injected almost immediately to kick-start the move towards the 20% hydrogen blend that can be used in the existing gas network, with no need to change appliances or adjust the network. That project will help to stimulate rapid growth in the amount of low-carbon hydrogen produced in the region, but to make it happen, the Government need to change the regulations and allow hydrogen into the network.

In conclusion, East Anglia does not want a hydrogen economy in which we adopt second-generation or third-generation technologies and assets from other areas. What we want is to maximise our own potential and build our very own bespoke network; what we need is a framework that incentivises small-scale projects to be developed, in the knowledge that they can be scaled up in due course. I hope that in his summing up, my right hon. Friend the Minister will confirm that he is up for that challenge.

5.1 pm

Mick Whitley (Birkenhead) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward, and I am grateful to the hon. Member for Redcar (Jacob Young) for securing this important debate.

There was much to criticise in the Government's energy security strategy, from its wholly unrealistic targets on new nuclear to its refusal to stand up to the nimbyism of Tory Back Benchers by making the reforms to planning law that are needed to unleash the full potential of onshore wind. At least, though, there are signs of genuine progress when it comes to hydrogen, with the UK's hydrogen production target more than doubling to at least 10 GW by 2030. The Government's stated commitment to a hydrogen-powered economy will no doubt come as welcome news to people living across the north-west of England and in north Wales. We are proudly home to the HyNet low-carbon industrial cluster, which by 2030 will be leading the way in carbon capture and storage technology and the production of low-carbon hydrogen. The extraordinary potential of that world-leading project was recognised last year, when it was successful in its efforts to become one of the first two carbon capture and storage clusters in the UK.

However, while the success of HyNet in our region hints at what is possible when we invest in the future of hydrogen, Ministers are yet to prove convincingly that they are capable of delivering on the promise of a hydrogen revolution, and we should not play down just how big a challenge we face. Low-carbon hydrogen remains in its infancy. If we are serious about making the UK a world leader in low-carbon hydrogen production, we must be prepared to use every resource at our disposal, including the extraordinary expertise and innovation that can be found today in businesses in every corner of the country.

That is why I am so concerned that the UK Government continue to make the regions and nations of the UK compete against one another to secure vital investment. I know that the hon. Member for Redcar took as much pride in the success of the east coast cluster last year as I did in HyNet's, but our Scottish colleagues have every right to bemoan the lack of success of the Acorn development in north-east Scotland. Surely the time

has come for the Government to accept that these projects deserve to be allowed to progress at their natural pace, rather than being held back by Ministers' continued insistence on using a failed and entirely arbitrary sequencing process. All those projects will be essential to realising the potential of a hydrogen-powered economy, and they all deserve our support.

We also need to seriously consider whether enough is being done to support the development of green hydrogen. While it is undeniable that investing in blue hydrogen is necessary in the short to medium term, I am sure we all agree that the ultimate goal is to see our country powered by clean, green hydrogen produced from wholly renewable sources. However, I am afraid the Government are responsible for a serious lack of ambition in that space. While our neighbours in Europe invest heavily in green hydrogen production, the Government are aiming for just half of their 10 GW hydrogen power target to be produced through electrolysis. Even then, there is little evidence that sufficient progress is being made to make that target a reality.

In fact, the case for investing in green hydrogen has become all the more inarguable since the Russian invasion of Ukraine earlier this year. Putin's appalling onslaught on that country has provided the west with important lessons on the necessity of ending our reliance on foreign energy supplies and has sent gas prices soaring, leading industry experts to conclude that it is now more affordable in Europe to produce green hydrogen than it is blue.

I urge the Minister to look at what more the Government could be doing to support green hydrogen, including considering whether grants would be a more appropriate funding mechanism for green hydrogen than the contracts for difference scheme. Too often before, we have seen the Prime Minister make grand pronouncements about the green transition but failed miserably to follow up with meaningful action. That must not be allowed to happen again. It is time for the Government to prove that they are able to make the promise of a hydrogen-powered economy a reality.

5.5 pm

Darren Henry (Broxtowe) (Con): Thank you for calling me, Sir Edward. It is a pleasure to serve under your chairmanship. I thank my hon. Friend the Member for Redcar (Jacob Young) for calling this important debate. As I am both a Member of Parliament from the midlands and co-chair of the all-party parliamentary group on the midlands engine, I want to focus my remarks on the midlands region.

In February 2022, the midlands engine set out its hydrogen technologies strategy, which draws on the exceptional manufacturing capabilities in the midlands and the immense potential to expand renewable energy production within the region. Expanding the hydrogen economy of the midlands will act as a catalyst for driving economic growth and new job markets in the region. The midlands has always led on manufacturing and has the infrastructure in place to be a world leader in hydrogen production. It is essential that that potential is not wasted.

The potential benefits on offer include the opportunity to create 85,000 jobs through production, supply and storage of hydrogen, more than 60,000 jobs through the decarbonisation of heavy goods vehicles and refuelling

[Darren Henry]

infrastructure and almost 2,000 jobs supporting the use of hydrogen as an alternative aviation fuel, all with the potential to contribute £10 billion gross value added to the midlands economy. The midlands plan for hydrogen goes as far as to set out industries in which there is potential to create more job and apprenticeship opportunities, such as domestic and commercial heating, low-carbon energy generation, public transport, freight, logistics and construction equipment.

There are already some fantastic businesses in the midlands, working to put the UK on the map for hydrogen production. One such business is GeoPura in the east midlands, which I have been lucky enough to visit in my capacity as co-chair of the all-party parliamentary group. GeoPura uses renewable energy, usually solar PV or wind, to create hydrogen and, in turn, hydrogen-based zero-emission fuels. That is then transported to areas where a local generator converts it into electrical power. From start to finish, the process is completely clean and carbon-free and the only by-product from the process is water. GeoPura energy is currently being used in transport, construction, film and television, as well as outdoor events such as festivals. Businesses such as that in the midlands have the potential to ensure that the UK leads in hydrogen technology and production.

I will conclude today by saying that the Government have made it clear that in order to achieve net zero by 2050, we must ensure that we are leading on the low-carbon hydrogen technologies front. Industrial heartlands such as the midlands are ready to be at the forefront of the hydrogen economy and ensure that the UK continues to take a global lead on the green industrial revolution that we hope for.

5.9 pm

Jim Shannon (Strangford) (DUP): Thank you for calling me, Sir Edward. It is a pleasure to serve under your chairmanship for the second time today; thank you very much for calling me.

Sir Edward Leigh (in the Chair): It is the second time, Jim, but I always love your speeches.

Jim Shannon: It is always a pleasure to speak in Westminster Hall, no matter what. I congratulate the hon. Member for Redcar (Jacob Young) on setting the scene so very well and giving us all the opportunity to participate by doing that. The thrust of my contribution will be to insist—in a gentle, nice way—that Northern Ireland should be very much a part of the planned future hydrogen strategy. I am ever mindful of the Government's legally binding targets under the Climate Change Act 2008, and the fact that the Climate Change Committee's 2018 report, "Hydrogen in a low-carbon economy", found hydrogen to be a credible option. The Government have committed themselves very much to the net zero target and to ensuring that hydrogen is an energy opportunity that we can all take advantage of.

A hydrogen economy has the potential to create or safeguard a massive 167,000 jobs—we cannot ignore that, and we look forward to some of those jobs coming to Northern Ireland—to provide £10 billion in gross value added to the UK economy, as mentioned by the hon. Member for Broxtowe (Darren Henry), and to

reduce CO₂ emissions in the region by 29%. These are helpful targets, and they show that the Government are totally committed to this project. I look forward to the Minister's response; he always speaks with knowledge in responding to our questions.

Recent work to drive the hydrogen agenda has seen progress move beyond the midlands, with plans to link key transport hubs: Immingham, the UK's largest port by tonnage and the biggest deep-water port on the Humber; East Midlands airport, the UK's busiest pure cargo airport; and the Tees valley, where plans are already in motion to develop a multi-modal hydrogen transport hub. Northern Ireland has also launched an ambitious new energy strategy, which includes plans for hydrogen as a key energy source for the future. I am keen to reiterate that and to push for that to happen.

The hydrogen strategy set out a number of things that should happen to expand domestic hydrogen production. They include setting aside £240 million for the net zero hydrogen fund, the significant development and scale-up of hydrogen network and storage infrastructure, with a £68 million commitment, and scaling up the use of low-carbon hydrogen, with heating buildings and transport trials and pilot projects planned—the hon. Member for Redcar (Jacob Young) referred to that. The strategy also talks about a market framework for hydrogen and a "supportive regulatory framework". Northern Ireland wants to be part of that hydrogen plan, Minister. I know from the answers that he has given to me in the past, and also to my hon. Friend the Member for North Antrim (Ian Paisley), that he is committed to that, but it would be nice to have it in *Hansard*.

The hon. Member for Redcar referred to the village-scale trial that his constituency hopes to be part of. I do not care where it is, as long as it happens, although I would love to know the time scale for whenever the Minister thinks it would be completed and, then, how the plan would be developed for the rest of the United Kingdom.

My hon. Friend the Member for North Antrim has previously referred in questions to building hydrogen products that the public will ultimately use, such as buses, trains and heavy goods vehicles. The Minister replied to that in a very positive fashion—I think he referred to Glasgow City Council's commitment—but I would like to see what is actually meant by

"further engagement with the Northern Ireland Executive".—[*Official Report*, 22 February 2022; Vol. 709, c. 160.]

My hon. Friend also previously referred in a question to the "golden thread", which I thought was quite a good saying—the golden thread that keeps together all this great United Kingdom of Great Britain and Northern Ireland, where all of us, in all the regions, can benefit. The Minister without Portfolio, the right hon. Member for Selby and Ainsty (Nigel Adams), referred to

"£100 million of new funding for the net zero innovation portfolio".—[*Official Report*, 13 January 2022; Vol. 706, c. 630.]

I very much want Northern Ireland to be a part of that.

To conclude, "The Path to Net Zero Energy", published in December, has set long-term sustainability targets for the region's energy sector, including plans to fully decarbonise by 2050. Cost is also a key focus in the plan, in order to increase the affordability of low-carbon forms of energy. Other targets include the delivery of

energy savings of 25% from buildings and industry by 2030, as well as doubling the size of Northern Ireland's low-carbon and renewable energy economy.

Sir Edward Leigh (in the Chair): Order. Can you wind up now, Jim?

Jim Shannon: Again, I look to the Minister to make a commitment to Northern Ireland.

5.14 pm

Andy Carter (Warrington South) (Con): It is a pleasure to take part in this debate. I thank my hon. Friend the Member for Redcar (Jacob Young) for securing it. It is always a pleasure to follow the hon. Member for Strangford (Jim Shannon) and to speak in the same debate as my hon. Friend the Member for City of Chester (Christian Matheson). I always worry when I speak after him that he may well have said everything I want to say. I will talk specifically about HyNet and will expand on some of the points that he has already raised.

HyNet was a momentous moment for the region. Securing track 1 status was a very strong signal for businesses in Warrington and the wider Cheshire/Mersey/Dee network area that we are serious about levelling up, serious about creating and securing well-paid jobs and about making our environment a greener place to live and work. The Minister knows that, because he came to Warrington when we launched the HyNet project and saw the transition work at the UK's largest can recycling plant at Novelis in Latchford, which is going to transfer over to hydrogen fuel.

For the past two years, I have been pressing his colleagues and the Secretary of State to proceed with the plans so that we can get maximum benefit to the region and the country. HyNet will give a massive boost to the supply chain and will work with younger people and apprentices to upskill and make the energy sector a more attractive industry to work in. In fact, one of my local colleges that I visited yesterday spoke to me about the opportunity to create more T-levels in the green sector. The Department for Business, Energy and Industrial Strategy and the Department for Education should work together on that to join up skills for the future.

As the Minister will know, we are now in phase two of the process, focusing on the individual projects that will realise the ambitions of both the Government and HyNet. In order for the ambitious targets to be met, careful consideration of the correct level of allocations is required.

Our net zero target and the private sector's environmental commitment have led to significant demand from industry to invest in green transition. That is really good news, but the current caps on the support contracts under the industrial decarbonisation and hydrogen revenue support scheme fall substantially short of the level of demand from industry and below that required to achieve net zero. Without a significant increase in those caps, there is a danger that hydrogen deployment will not deliver the initial scale required to gain the momentum that this fledgling sector needs, potentially losing the global lead we have already made in the UK in the hydrogen economy.

The current target of about 6 million tonnes per annum for industrial carbon capture by 2030 is part of the overall target of 20 million to 30 million tonnes per

annum. However, it is narrowed down to about 3 million tonnes per annum for the initial allocation under the industrial decarbonisation scheme, and that is an inadequate target to kick-start a new industry. If we split that evenly between HyNet and the East Coast Cluster, it would potentially only allow for one or two of HyNet's flagship projects to be delivered, resulting in organisations being unable to decarbonise their industrial processes. We need to go bigger.

If the Government are to achieve their stated target, they should be proceeding with about 6 million tonnes per annum in total industrial capture in the first clusters by 2027. That is the lowest cost approach to achieving the 20 million to 30 million tonnes per annum target by 2030. At the same time, the Government should be looking towards a road map for future allocations to give confidence to other projects to proceed into further development.

In addition, to get a functioning hydrogen market, with hydrogen producers connected to hydrogen users, we need business models that are consistent with hydrogen production targets. That means that 2025 will be too late for these business models to be put in place, resulting in the 10 GW target that the hon. Member for City of Chester mentioned being missed.

The message to the Government is really clear: the private sector that is investing in this area wants to proceed and is keen to expand the operation, but it would like Government support to do that. Will the Minister confirm that his Department has done a proper assessment of the impact that the current plans may have on companies reliant on HyNet hydrogen production and infrastructure to decarbonise? Does it leave them facing increased risks and uncertainty from the impact of carbon cost and market share?

I recognise the importance of moving towards decarbonisation and I know that the Government are committed to ensuring that we have the tools in place to achieve net zero by 2050, but it is ambitious projects such as HyNet, bringing together businesses, creating jobs and bringing investment, that pave the way for achieving our target. It is critical that we listen to the needs of those working in the sector to make sure we get this right. I urge the Minister to take heed of the challenges HyNet is currently facing and to seek to resolve them as soon as possible.

Sir Edward Leigh (in the Chair): We have time for five minutes for the SNP spokesman, five minutes for the Opposition spokesman and 10 minutes for the Minister. I call Stephen Flynn.

5.19 pm

Stephen Flynn (Aberdeen South) (SNP): Thank you very much, Sir Edward. There has been a great deal of impassioned debate around the room, and lots of important points have been made about using hydrogen for heating, refuelling stations and buses.

Of course, people do not need to go to America to see or hear about hydrogen buses; they need only come to Aberdeen, where we have not just one but multiple hydrogen buses. And as well as hydrogen buses, we have hydrogen refuelling stations, road sweepers and bin lorries, and a hydrogen hub is about to be set up. SGN is looking at the potential for blending hydrogen into the

[Stephen Flynn]

grid directly from St Fergus into Aberdeen itself. A great deal of hydrogen activity is already going on in Aberdeen, the wonderful city that I represent, as well as across Scotland. Glasgow has the green hydrogen for Glasgow scheme, and Fife has the H100 scheme, which is looking at ensuring that homes are powered purely by hydrogen. A lot of important and powerful work is under way.

That all fits in with the Scottish Government's target of 5 GW of hydrogen by 2030, and 25 GW by 2045. There is a great deal of potential in that technology, and that is important for someone like me. Scotland's economy has for a long time been reliant on the oil and gas sector, which is still, and will continue to be, incredibly important. We need to consider what comes next, and hydrogen, of course, has a role to play.

A key question that has perhaps not been touched on in enough detail in the debate is that of blue or green hydrogen. The hon. Member for Birkenhead (Mick Whitley) made the excellent point about CCUS—or the lack of it—in the north-east of Scotland. He is absolutely right: the Government's completely illogical decision not to progress with the Acorn project causes us a great deal of consternation, given the potential of CCUS. Key to the Acorn project is the production of blue hydrogen, but as we move forward, that discussion changes. Will it still be possible to have a blue hydrogen economy in the same way when the green hydrogen economy is building up at such a pace? In Scotland, the capacity for 25 GW of offshore wind is being built, so the potential for green hydrogen is enormous.

It is incredibly important that we have a clear picture of what we want to deliver and how we can deliver it. I have absolute confidence that my colleagues in the Scottish Government will be on top of that, and I have hopeful confidence that the Minister will be, too. Irrespective of our constitutional future, there will be integration between Scotland, England, Wales and Northern Ireland when it comes to hydrogen, because we will all ultimately rely heavily on the energy resource that comes from Scotland.

There are still many hydrogen sceptics. I have spoken with them—as, I am sure, have many hon. Members present—and they say, “Why do you not just use the electricity that produces green hydrogen its own natural form?” They are missing the point about heating made by the hon. Member for Redcar (Jacob Young), as well as the export potential for hydrogen compared with electricity. When we weigh up those two, it is clear for us all to see—in this room and among the public—that hydrogen, and certainly green hydrogen, is the route forward to a buoyant energy industry and, I hope, a buoyant Scottish economy.

5.24 pm

Dr Alan Whitehead (Southampton, Test) (Lab): I congratulate the hon. Member for Redcar (Jacob Young) on securing this important debate. We are at a juncture with regard to the future of hydrogen. We have pretty much got over the debate on whether hydrogen will play an important role in future low-carbon energy. We have had that debate in all sorts of ways over recent years, and I think that it has been resolved. Hydrogen will play a really important and central part in our low-carbon

energy structures of the future. We are now charged with ensuring that we get it right as far as the distribution, development and production of hydrogen are concerned, and that it is used in the right places and for the right things. As the hon. Member for Aberdeen South (Stephen Flynn) intimated, this is a question of using hydrogen to get to the places where electricity cannot be used.

The hon. Member for Redcar mentioned trains and HGVs. It is improbable that HGVs on batteries will be ploughing up and down our roads for 300 or 400 miles with a little bit of freight on top. It will be hydrogen; it has to be hydrogen. We have to get the infrastructure in place to get that right, and we have to get the production of hydrogen right to fuel that new network of long-distance logistics.

The hon. Member mentioned heat, which I would put third in the hierarchy of uses for hydrogen. We certainly have an early win of putting hydrogen into the system up to 20%, but it is unlikely that we will run the whole of our heat on hydrogen, not least because if we put blue hydrogen in to replace the 80% of boilers that run on gas, we would increase our gas imports by about 10%. We would increase gas coming into the country rather than decrease it, which is what we want.

That brings me to the green-blue debate. It is not that we should have no blue and only green. As my hon. Friend the Member for City of Chester (Christian Matheson) said, in the industrial clusters there are some first-rate projects that integrate carbon capture and the use of hydrogen in the right place, which will, in the first instance, need blue hydrogen to get going. We must be clear that the longer-term future is green hydrogen and it should be in our planning from the start, not least because since the Government made their calculations about the relative cost of blue and green hydrogen in the hydrogen strategy, the cost of blue hydrogen has increased by 36%. It is now generally recognised that, by 2025, assuming that gas prices continue at their present level, if we look at future gas prices, as I am sure the Minister has, we will see that blue hydrogen will be something like £85 per MWh and green hydrogen £58 per MWh, and that is before the conclusion of the debates about the roll-out of green hydrogen.

It really has to be green, not because one is against blue but because of the way in which the gas debate is going and the fact that we need to get electrolysis in place to get green hydrogen in the volumes required for the future. That means, as the hon. Member for Redcar has said, that we will need a lot of storage. We know that SSE is already producing salt caverns for the East Coast Cluster. The Rough field will, we hope, come into commission for hydrogen in the future, but we are going to need a lot more storage than that and it will have to be strategically located around the country. We will also need the networks mentioned by the hon. Member to get hydrogen to where it is needed. There is a lot of work to be done to get hydrogen properly in the place where it is needed for the future low-carbon economy. There is a lot of thinking to be done about the relative priorities that we give to different uses of hydrogen in the economy, to ensure that it has the best effects.

If I can pay a slight compliment to the Government, they have begun to do a lot of thinking about the hydrogen strategy, but a lot more needs to be done to get us in the right place and, most importantly, to get the right instruments to encourage hydrogen development

and to ensure that we get hydrogen production properly aligned with how we are going to use it. We do not want to look back in 10 years' time and say, "If only we had done this, this and this, we could have got so much more going with our hydrogen." That should be the Government's priority and what they need to concentrate on over the next period, so that the hydrogen economy takes off.

5.30 pm

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate my hon. Friend the Member for Redcar (Jacob Young) on securing this important debate, on his incredible work and passionate advocacy for hydrogen ever since he arrived in the House, and on his chairing of the APPG on hydrogen.

This Government recognise that now, more than ever, we must focus on generating cheaper, cleaner power in Britain to support our long-term energy security and to achieve net zero by 2050. Hydrogen has the potential to help decarbonise vital UK industry sectors and to provide flexible energy across power, transport and, potentially, heat. Our drive for renewables makes hydrogen especially valuable. Excess renewable electricity can be used to produce hydrogen, which can be stored over time and used to generate electricity when there is less sun or wind to power the grid.

That is why in the British energy security strategy, published this April, we committed to doubling our ambition, as my hon. Friend the Member for Redcar and others have pointed out, to up to 10 GW of low-carbon hydrogen production capacity by 2030. As the hon. Member for Southampton, Test (Dr Whitehead) mentioned, at least half of that will come from green hydrogen, or electrolytic hydrogen, drawing on the scale of the UK's offshore wind ambitions.

The energy security Bill announced in the Queen's Speech will deliver on the commitment to build a sustainable homegrown energy system that is more secure, clean and affordable, and will include measures to facilitate the delivery of the hydrogen business model, driving investment across the UK.

The enormous potential of hydrogen for our economy is plain to see. In the UK alone, the sector could support 12,000 jobs by 2030 and unlock over £9 billion in private investment in the UK. By 2050—net zero date—the UK's hydrogen economy could be worth up to £13 billion and support up to 100,000 jobs, many of which will be in our industrial heartlands.

I will address the specific points made by my hon. Friend the Member for Redcar, which were delivered with passionate advocacy in his excellent speech. On blending, we are on track to make a policy decision in 2023 and we are exploring whether to enable blending of up to 20% of hydrogen into GB gas networks.

We have invested £25 million in the BEIS Hy4Heat programme to develop hydrogen-ready boilers. We have to have certainty around the safety and efficiency of these systems, and assurances that consumers will not face a premium from the introduction of these boilers, but that remains an area of active work.

My hon. Friend the Member for Redcar passionately advocated for bringing the hydrogen village trial to Redcar. We expect the final location to be selected in 2023 and for it to become operational by 2025. We expect the trial to last a minimum of two years.

I heard directly from National Grid about Project Union a few weeks ago. It is a fascinating project that we will continue to study. My hon. Friend's plea to extend the gas storage at Rough is a live conversation with Centrica, and it would not be appropriate for me to comment on that today.

Dr Whitehead: Will the Minister give way?

Greg Hands: I want to try to respond to the different contributions, but I will give way to the hon. Member for Southampton, Test.

Dr Whitehead: This is a very friendly intervention. For the record, will the Minister state the importance of the role hydrogen will play in industrial decarbonisation, particularly in industries such as steel, ceramics and cement? I am sure he will want to put that into the mix, as it were, as far as the deployment of hydrogen is concerned.

Greg Hands: The hon. Gentleman is absolutely right about the importance of industrial decarbonisation. That is one reason why we are following the cluster approach, to make sure that those hard to decarbonise industry sectors are close to those clusters.

I will group my response to the two contributions from the HyNet group—the hon. Member for City of Chester (Christian Matheson) and my hon. Friend the Member for Warrington South (Andy Carter)—if I may call them that. The hon. Member for City of Chester also mentioned powered aircraft and maritime, which are very much in the mix for using hydrogen for transport. I had an excellent visit to the constituency of my hon. Friend the Member for Warrington South towards the end of last year, when I saw the potential for the Novelis canning factory to use hydrogen and other means. I have just come from meeting my co-chair of the green jobs delivery group to make sure that the skills are there. On the caps and the impact on companies in the HyNet process, my Department is in regular contact with major cluster projects, including HyNet, about how the Government and the industry can work together to realise our 10 GW ambition as part of the CCUS cluster sequencing process. I am happy to write to my hon. Friend with further details about the companies in HyNet.

My hon. Friend the Member for Waveney (Peter Aldous), who is a passionate supporter of green energy right the way across the board, told us about the clean hydrogen cluster in East Anglia and the Lowestoft power plant project using hydrogen for municipal buses and the refuse fleet, which was also mentioned by the hon. Member for Aberdeen South (Stephen Flynn). On one of my many visits to Scotland, I was really excited to see the Whitelee wind farm just south of Glasgow, which is the second largest onshore wind farm anywhere in Europe. Last autumn, we launched a £9.4 million project with Scottish Power to take the excess onshore wind power generated at Whitelee and turn it into hydrogen for Glasgow's buses and refuse carts—similar to the scheme mentioned by the hon. Member. By the way, I am looking forward to being in Aberdeen again this week for the fourth time in my nine months as Energy Minister.

[Greg Hands]

The hon. Member for Birkenhead (Mick Whitley) made some good points about hydrogen. I think he also managed to squeeze in a quick swipe at the nuclear industry, so I urge him to think again. I am a bit surprised that he took a swipe at the nuclear industry, as I know that he is sponsored by Unite and other unions. The unions are among the biggest supporters of nuclear in this country, so I urge him to listen a bit more closely to his union sponsors' support for the nuclear industry. I also note that he is on the Liverpool city region freeport management board, so he is clearly able to embrace new Government policies and take advantage of them bringing things to his district. I urge him to think again on nuclear.

My hon. Friend the Member for Broxtowe (Darren Henry), who is co-chair of the midlands engine APPG, is absolutely right to say that we need to lead on low-carbon hydrogen technology. The technology side of this issue is incredibly important.

As it happens, today I have talked about renewable and low-carbon energy with Gordon Lyons, the Northern Ireland Economy Minister and a party colleague of the hon. Member for Strangford (Jim Shannon), who is absolutely right to say that Northern Ireland will play a key role in the production and export of hydrogen.

In the brief time available, I will outline the next steps. We recently published a hydrogen investment package, which set out the key policy detail that industry has been waiting for, and paved the way for the launch of two significant funding mechanisms: the net zero hydrogen fund, and our hydrogen business model. The net zero hydrogen fund will be coming this summer, and we aim to run annual allocation rounds for electrolytic hydrogen as soon as legislation and market conditions allow, moving to price-competitive allocation by 2025. In July, we will announce the blue hydrogen projects that we will negotiate with the CCUS cluster sequencing process.

We have developed an investor road map to give more clarity on what we have done, what we are doing and what we are committed to doing in developing the UK

hydrogen opportunity. We have already mentioned hydrogen transport storage infrastructure, and we have committed to design new business models for that by 2025. We have published a UK low-carbon hydrogen standard, because it is really important that we have a standard for what defines low-carbon hydrogen, and we have also published a hydrogen sector development action plan on supporting the UK supply chain for hydrogen.

I hope that my hon. Friend the Member for Redcar agrees that the Government have provided a clear long-term signal that we are committed to building a world-leading UK hydrogen economy. I thank him again for securing this timely and informative debate, and for allowing us to explore the role of hydrogen in our clean and affordable UK energy system.

My final point is that I was in Berlin in January and met my German opposite number, whose name is Stefan Kaufmann. I found out in advance that his expertise in hydrogen is so extensive that he is called Mr Hydrogen. I said to him, "Stefan, one day I want to be called Mr Hydrogen," but then I thought that, actually, the person who really deserves the title of Mr Hydrogen in this country is my hon. Friend the Member for Redcar.

5.39 pm

Jacob Young: I have not found many points of disagreement during the course of the debate, so I am grateful to everyone who has contributed. I want to put a final challenge to the Minister. He touched on hydrogen boilers and whether we can promise that there will be no cost to the consumer. I say to him that there is no cost to the consumer, because we can make this decision and get ahead with the roll-out. As I said in my speech, it is a no-lose situation, because we do not have to go down the 100% hydrogen route in 2026.

Question put and agreed to.

Resolved,

That this House has considered future hydrogen economy.

5.40 pm

Sitting adjourned.

Written Statements

Tuesday 14 June 2022

INTERNATIONAL TRADE

Singapore Digital Economy Agreement Update

The Secretary of State for International Trade (Anne-Marie Trevelyan): Today, I am proud to announce that the UK-Singapore digital economy agreement (DEA) enters into force, following the completion of the necessary domestic procedures on both sides. This will allow UK businesses to start benefiting from the provisions contained within the agreement, helping them to trade and grow.

This groundbreaking agreement is the world's most innovative digital trade agreement, concluded as it was between two of the most advanced digital trade nations. The UK-Singapore digital economy agreement is deeper and wider than previous trade agreements covering the modern digital economy. Complementing and building on the G7 digital trade principles that we brokered under the UK's G7 presidency, the Singapore digital economy agreement will serve as an ambitious model for modern trade agreements in future—cementing the UK's place as a world leader in digital trade.

By securing open digital markets, prompting the free flow of trusted data, and cutting red tape through overhauling outdated paper-based processes, businesses across the UK can expand into new markets and thrive.

Now that this groundbreaking trade agreement has entered into force, businesses and consumers across the UK will start to benefit from:

Support to UK businesses to access Singapore's digital markets. Digitally delivered services make up around a third of UK services trade globally—this was worth over £361 billion in 2020, and this deal will help strengthen this further.

Securing and locking-in trusted cross-border data flows, the foundation for today's modern digital economy—representing up to 26.3% of UK GVA in 2019. This will enable businesses to trade more easily, cheaply, and more quickly, facilitating everything from more efficient manufacturing and supply chains to more reliable infrastructure.

Cutting red tape by supporting the overhaul of outdated, paper-based trading systems. For example, the agreement contains specific commitments around maintaining legal frameworks that enable the digitisation of trade documents such as bills of lading.

Keeping our country and citizens safe through deepening our partnership with Singapore in areas such as cyber-security, as well as legally binding commitments covering online consumer protection and personal data protection.

Supporting our bid to join the comprehensive and progressive trans-Pacific partnership (CPTPP), alongside Singapore and 10 other vibrant trading nations. Membership would mean access to a £9 trillion free trade area with some of the biggest and fastest-growing markets in the world.

With this agreement coming into force, our economy and brilliant businesses can build back better from the pandemic and start to benefit from easier, quicker, and more trusted access to the valuable Singapore market.

[HCWS100]

JUSTICE

Prisons Strategy White Paper: Response to Consultation Questions

The Minister of State, Ministry of Justice (Victoria Atkins): Today I am publishing the Government response to the prisons strategy White Paper consultation.

The prisons strategy White Paper was published in December 2021. The commitments in the paper tackle this Government's priorities for prisons: building the next generation of prisons and managing an estate that is safe and secure for staff and prisoners; supporting rehabilitation and resettlement through education, employment and accommodation; and creating prison and probation services that cut crime and protect the public.

A total of 19 questions were included in the White Paper to ensure the views of interested parties were considered. The consultation opened on 7 December 2021 and closed on 4 February 2022, receiving 155 responses. The Government have carefully considered the responses and are grateful for all of the contributions.

Since publication of the White Paper, this Government have moved swiftly to deliver its aims:

HMP Five Wells opened in March, delivering 1,700 modernised places.

Digital upgrades have been delivered to a further seven prisons, with four additional sites completed by October 2022.

The landmark security investment programme was completed in March 2022, including the deployment of enhanced gate security across 42 high-risk sites.

Committed an additional £25 million investment in prison security: installing high-specification drugs trace detection, mobile phone blocking technology, x-ray baggage scanners, and an intelligence management system.

Secured £34 million to improve prison safety and move towards a more preventative approach.

Accelerated the roll out of employment hubs with 23 now established and the appointment of 20 employment board chairs.

Announced that we will legislate to enable prisoner apprenticeships, in collaboration with the Department for Education.

Committed to action on Friday releases to tackle the strain this can cause if prisoners cannot access essential services; this includes pursuing legislation to address this issue for those at risk of reoffending, when parliamentary time allows.

Plans to open a residential women's centre in Wales to provide a community-based alternative to a short custodial sentence.

Launched our staff retention toolkit into all prisons alongside a number of new initiatives to support retention, including a new buddy scheme.

Key performance indicators, introduced in April 2022, set clear expectations of delivery, and governors will be held to account as part of their performance reviews.

As the consultation response makes clear, this is the start of an ambitious delivery plan in the years to come and the Government are committed to continued engagement with stakeholders to ensure we deliver on it.

Today, I lay in Parliament this response, which sets out the views of respondents to our consultation questions and how the Government propose to implement the commitments in the White Paper.

[HCWS99]

Petition

Tuesday 14 June 2022

OBSERVATIONS

DIGITAL, CULTURE, MEDIA AND SPORT

Abuse of short-term letting

The petition of residents of the constituency of Cities of London and Westminster,

Declares that local authorities should be granted stronger powers to deal with rogue landlords who abuse the short-term lets 90 Day Rule in London.

The petitioners therefore request that the House of Commons urge the Government to introduce an amendment to the 2015 Deregulation Act to allow for a licensing regime in order to practically enforce the 90 Day Rule.

And the petitioners remain, etc.—[Presented by Nickie Aiken, *Official Report*, 28 March 2022; Vol. 711, c. 675.]

[P002725]

Observations from the Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston):

The Government support the sharing economy and the economic benefits that it can bring. It not only boosts the tourism sector by providing competitively priced accommodation for visitors, it also allows households with underused accommodation to supplement their income.

The Government recognise, however, that the growth of the sharing economy has led to concerns about possible negative impacts of short-term lets on some communities. The Government also want to ensure that England continues to provide a safe and competitive guest accommodation offer.

In the tourism recovery plan published in June 2021, the Government committed to consulting on the introduction of a tourist accommodation registration scheme in England. However, the Government consider that it is necessary to initially build a robust evidence base about this sector before exploring what possible, proportionate policy responses might be.

The Government therefore intend to publish a call for evidence on short-term tourist accommodation in the near future.

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Tuesday 14 June 2022

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