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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 5 July 2022

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER in the Chair]

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Probation Service

1. **Chris Evans** (Islwyn) (Lab/Co-op): What recent assessment he has made of the adequacy of staffing levels in the probation service. [900892]

The Minister for Crime and Policing (Kit Malthouse): The probation service is committed to increasing recruitment to fill probation officer vacancies. The adequacy of staffing levels is monitored on an ongoing basis through operational management and plans around recruitment and retention.

Chris Evans: I recently spoke to a probation officer who is off work due to stress. They told me:

“We are losing no end of experienced officers and management doesn't seem to care.”

With record levels of staff leaving the service and overworked officers fearful that any wrong decision could lead to tragedy, what specific actions will the Minister take to improve working conditions for probation officers?

Kit Malthouse: Although, obviously, people do leave the probation service from time to time, I hope the hon. Gentleman recognises the very vigorous recruitment campaign over the past three years. We have taken on: 1,007 new recruits in 2020-21; 1,518 in 2021-22; and 1,500 more this year. However, he is right that we need to work hard to make sure that we retain staff as well. There is a variety of strategies that we can put in place to make sure that that is the case, not least looking at the workload, which is often a cause of stress and strain. I am pleased to say that the latest numbers tell me that only 4% of probation officers have a workload above the recommended maximum, and there are obviously reasons why that may be the case. Having said that, there is, obviously, much more that we can do, and one of those things is to agree a productive and helpful pay settlement. We are in conversation with the unions and, indeed, with colleagues in the Treasury about reaching a conclusion on those discussions soon.

Mr Speaker: I call the shadow Minister.

Ellie Reeves (Lewisham West and Penge) (Lab): Dedicated probation officers are telling me that they cannot manage their workloads as it is. One said:

“I used to spend about an hour each week with my high risk cases, but that simply isn't possible with my current caseload. I no longer have confidence I can manage my cases in a way that keeps the public safe”.

After the Prime Minister's pledge to cut civil service numbers by a fifth, will the Minister now rule out any more cuts to the probation service?

Kit Malthouse: As I said in my previous answer, we are always reviewing case loads. I know the hon. Lady will recognise that the Inspectorate of Probation report on case loads, workloads and staffing numbers indicated that the recommended case load should not exceed 50, although it also said that there should not be a precise target. I am happy to tell her that 96% of probation officers and probation service officers hold fewer than 50 cases, with an average caseload of 34. Having said that, we recognise that the profession, which is valuable and does important work, presents particular stresses and strains. As part of the reunification process, and moving towards a target operating model, staff wellbeing and welfare will be a key element in our considerations.

Reoffending Rates

2. **Jason McCartney** (Colne Valley) (Con): What steps he is taking to reduce reoffending rates. [900893]

3. **Selaine Saxby** (North Devon) (Con): What steps he is taking to reduce reoffending. [900894]

19. **Sally-Ann Hart** (Hastings and Rye) (Con): What steps he is taking to reduce reoffending. [900915]

The Lord Chancellor and Secretary of State for Justice (Dominic Raab): Let me take the chance, on behalf of those on the Conservative Front Bench and, I believe, on all the Benches behind me, to offer our condolences to the shadow Justice Secretary on the passing of his father.

The overall reoffending rate has decreased by 5 percentage points from 31% in 2009-10 to 26% in 2019-20. Over that period, reoffending rates for robbery, criminal damage, arson, drug offences and sexual offences have all fallen.

Jason McCartney: I very much welcome the work that is being done to reduce reoffending rates. I vividly remember visiting Armley Jail and hearing about the work being done there. A big part of this work is transitioning ex-offenders into work. What role does my right hon. Friend see apprenticeships playing in that work?

Dominic Raab: My hon. Friend is right: the work that we are doing on skills and education right the way through to getting offenders into work is vital. I am very pleased, as he may know, that, working with the Department for Education, we are introducing a statutory instrument to introduce apprenticeships in prison. That SI will pass in September, and we will start the first apprenticeship straight away.

Selaine Saxby: The top 10 repeat offenders being dealt with by police in North Devon have committed 108 offences in April to June this year. As the police themselves say, many of these individuals have previously been in prison—some on multiple occasions—but the

offending cycle continues. What more can be done to reduce repeat offending, as, locally, the current system is clearly not delivering that desired outcome?

Dominic Raab: By 2024-25, we will be investing £200 million a year, in dealing with skills and work, as I have already said, and also with drug rehabilitation, particularly sustainable absence-based drug rehabilitation. The further action that we are taking on resettlement passports will avoid that potential cliff edge when an offender leaves prison, and makes sure that the wraparound care is there as they transition.

Sally-Ann Hart: Sussex prisoners' families have highlighted how important families of offenders, particularly prisoners, are in reducing offending. Prisoners' families are often forgotten about in the criminal justice system, but research shows that if prisoners have a supportive family, they are less likely to offend. What steps is my right hon. Friend taking to support such families, thereby helping to make our communities stronger and safer?

Dominic Raab: My hon. Friend is absolutely right; research shows that the odds of reoffending are 39% higher for prisoners who did not have visits from family or friends while they were inside prison. That is why the new builds, Five Wells and the others, have not only in-cell technology that can facilitate dialogue and close family ties, but family centres to ensure that the ties that bind, and can cut crime by reducing reoffending, are strengthened and not weakened.

Kate Green (Stretford and Urmston) (Lab): Careful parole decisions are important to minimise reoffending. Can the Justice Secretary explain why new Parole Board rules will mean that expert report writers will be forbidden to provide a view on suitability for release of the most serious offenders?

Dominic Raab: At the moment, when the vital question of risk is assessed, there is a risk that separate reports, whether from psychiatrists or probation officers and those who manage risk, may give conflicting recommendations. Therefore, in those serious cases that the hon. Lady refers to, there will be one overarching Ministry of Justice view, so that the Parole Board has a very clear steer and we make sure—the hon. Lady shakes her head, but I think she agrees with me—that the overriding focus is on public safety and protecting the public.

Mr Speaker: I call the shadow Secretary of State.

Steve Reed (Croydon North) (Lab/Co-op): I thank you, Mr Speaker, the Secretary of State and other hon. Members for their condolences on the passing of my dad, Roy Reed, a few days ago. Everyone's very kind words were a great comfort to our family at a very difficult time.

Community payback is vital for reducing reoffending and giving justice to victims, but the number of hours completed by offenders has been falling since 2017. It fell in 2018 and again in 2019, before anyone had heard of covid-19. Please can the Secretary of State explain why?

Dominic Raab: There is renewed investment going in to community payback. There has been a covid effect since the years the hon. Gentleman mentions; I know he has raised the issue of those obligations being discharged from home, but that will all be phased out by the autumn. This is a valuable scheme for restorative justice, so that the public see those who have committed crimes making recompense.

Prison Officers: Pension Age

4. **Mary Kelly Foy** (City of Durham) (Lab): What discussions he has had with Cabinet colleagues on the effect of the pension age of prison officers on staff (a) recruitment and (b) retention. [900896]

The Minister of State, Ministry of Justice (Victoria Atkins): The Government are committed to recognising the extraordinary public service carried out by our hard-working prison staff and officers, and to ensuring that we have a modern employment offer that attracts and retains the very best. I am listening to and working with officers, staff and trade unions on all employment matters.

Mary Kelly Foy: The Minister agreed more than six months ago in this place and on a number of other occasions to meet with the professional trades union for prison, correctional and secure psychiatric workers—the Prison Officers Association—to discuss prison officer pension age as a standalone issue. Yet I am informed that that meeting is yet to happen or even to be scheduled. Does the Minister understand that making promises to prison officers and then breaking them is an insult to hundreds of my constituents in Durham, but entirely consistent with the way this Government treat those brave and loyal workers?

Victoria Atkins: I thank the hon. Lady for raising this matter. I have in fact met the Prison Officers Association; indeed, I was delighted to attend its conference in Eastbourne a couple of months ago. I note in passing that sadly the Opposition were not able to accept the union's kind invitation to attend that same conference. In terms of pensions, I am determined to have a good employment offer for all our officers. I will continue to meet the POA union and the other unions that work in our prison estate. I emphasise both to officers and to staff that we want to ensure that the hard work they put in to our prison service is reflected in the coming months in the offer we put to our staff.

Rape and Sexual Abuse Victims

5. **Jim Shannon** (Strangford) (DUP): What steps his Department is taking to support victims of rape and sexual abuse. [900897]

The Minister of State, Ministry of Justice (Victoria Atkins): The Government are committed to supporting victims of rape and sexual violence. We have seen rape convictions increase by two thirds since 2020, but we are committed to doing much more and going further. Last year the Government announced our ambitious end-to-end rape review action plan, which includes quadrupling the funding for victim support from £41 million in 2009-10 to £192 million by 2024-25. More than half of all

Crown courts are equipped to use pre-recorded cross-examination and re-examination for vulnerable witnesses, to make the experience of giving evidence to the courts less daunting. There is much more happening, and I know the hon. Gentleman takes a close interest in these matters.

Jim Shannon: I thank the Minister, who clearly has a very clear strategy to move forward. However, recent statistics from the charity Rape Crisis state that in 2021 only one in 100 victims of rape felt they could report it to the police, with some feeling completely unable to do so due to intense fear and angst about reprisals from the perpetrator. What steps will she take to ensure that victims feel that they can come forward and place their trust in the authorities, to find the closure they so very much want?

Victoria Atkins: The hon. Gentleman is right to identify the concerns that victims have from the very first moment of reaching out for support from the police in reporting these offences. As I say, we have conducted a forensic end-to-end review of the criminal justice system. Part of that includes ensuring that the police conduct so-called suspect-focused investigations whereby, rather than looking at the witness's credibility, they focus on the suspect's behaviour. We will be rolling this out nationally over the coming year, and I very much hope and expect that we will begin to see some real results from that.

Mr Speaker: I call shadow Minister Ellie Reeves.

Ellie Reeves (Lewisham West and Penge) (Lab): Three years on from the Government's end-to-end rape review, little has changed, with victims waiting three years for their case to get to court, section 28 rolled out in 37 out of 77 Crown courts, and specialist rape courts to be piloted in just three. When I raised the Conservatives' appalling record in Parliament last week, the Minister accused me of

"false, damaging and intemperate language",

but I make no apology for standing up for victims. Does she accept that it is her Government's actions and not my words that are letting rape survivors down?

Victoria Atkins: I am extremely grateful to the shadow Minister for raising that matter. You know, Mr Speaker, that I wrote to you privately concerning conduct in this Chamber, because how we conduct ourselves in this Chamber matters: it has implications far beyond these walls for victims of crime. I raised this privately in a letter to you, Mr Speaker. I copied in the hon. Lady, as a professional courtesy, and it has mysteriously found its way into *The Guardian* newspaper; I know not how that could have happened. Just on a matter of House business, it is a very great shame that when colleagues express discreetly concerns about conduct in this Chamber, it becomes a matter for the national newspapers.

Turning to the hon. Lady's allegations, we have more victims reporting their crimes to the police and the Crown Prosecution Service charging more perpetrators. We have timeliness in the Crown court improving by five weeks on last year. What is more, we have seen the conviction rate increase since last year, by two thirds. These are steps towards the targets that we want to meet. I do not for a moment claim that our work is done, but we must, for the sake of victims, ensure that we give them the reassurance and the support they need to bring these allegations to light.

Support for Victims of Crime

6. **Jonathan Gullis** (Stoke-on-Trent North) (Con): What plans he has to improve support for victims of crime. [900898]

9. **Simon Jupp** (East Devon) (Con): What plans he has to improve support for victims of crime. [900902]

12. **Dr Caroline Johnson** (Sleaford and North Hykeham) (Con): What plans he has to improve support for victims of crime. [900906]

17. **Mark Pawsey** (Rugby) (Con): What plans he has to improve support for victims of crime. [900912]

The Parliamentary Under-Secretary of State for the Home Department (Tom Pursglove): Our landmark victims Bill will improve support for victims and help to give them confidence that if they report a crime the criminal justice system will treat them in the way that they should expect. We have increased the funding for victim and witness support services to £192 million by 2024-25—quadruple the level in 2009-10. With this funding we are increasing the number of independent sexual and domestic violence advisers to over 1,000—a 43% increase over the next three years—and introducing a 24/7 support line for victims of rape and sexual violence.

Jonathan Gullis: Last June, a six-year-old girl was tragically killed when a car hit her and her father as they walked along a road in Stoke-on-Trent North. The victim's mother has had to wait over a year, suffering in silence, because the defendant took so long to give permission for his blood sample to be tested. If a person has done nothing wrong they should have nothing to fear. That is why I am campaigning for an amendment to section 7 of the Road Traffic Act 1988 for blood testing to take place without permission, required where loss of life has occurred, to give victims the answers they deserve and need quicker. Would my hon. Friend support such a change?

Tom Pursglove: I am grateful to my hon. Friend for raising this terrible tragedy in the House today. The impact on the family is unthinkable and what has happened is just awful. He will recognise that the measures introduced in the Police, Crime, Sentencing and Courts Act 2022—with his support—came into force last week, tightening the offences and reflecting the culpability of offenders and the devastating harm that these crimes cause, as well as introducing a new offence of causing serious injury by careless driving. The Department for Transport is about to launch a call for evidence looking at motoring offences, and I know it is keen to engage with my hon. Friend on that.

Simon Jupp: The draft victims Bill is a huge step forward to help victims recover from the impact of crime. Does my hon. Friend agree that proper funding for victim support services in Devon and elsewhere is also essential?

Tom Pursglove: I hope that I can reassure my hon. Friend that the victims Bill focuses on delivering improvements to the quality and consistency of victim support services, backed up by more funding than ever before, with £192 million by 2024-25—a four times

increase on 2009-10—as well as a multi-year commitment that gives victim support services confidence to plan for the future. That will benefit people in East Devon, and it is fair to say that this Government are committed to delivering on our promises.

Dr Johnson: With the victims Bill, a quadrupling of money for support services and the lengthening of sentences, it is clear that this Government are on the side of victims. One key expectation of victims is that justice will be served and prisoners will not escape, yet twice this year violent sexual offenders have escaped from a Lincolnshire prison, causing anxiety and danger to my constituents. What is the Minister doing to ensure that that does not happen again?

Tom Pursglove: I am hugely grateful to my hon. Friend for her support for the measures we are introducing through the victims Bill, and I know that the prisons Minister, my hon. Friend the Member for Louth and Horncastle (Victoria Atkins) would be willing to speak to her about the specific issue of absconding. What I can say is that we are tightening the rules governing open prisons with a tough three-step test and greater ministerial oversight, which I hope will give her confidence on this issue.

Mark Pawsey: I would also like to raise the case of a constituent, because in an act of outstanding bravery, Sheila Whitehouse went to the aid of a neighbour who was being viciously attacked by a dog. The owner had no insurance, and when the case came to court, Sheila was awarded just a token sum. She suffered life-changing injuries, but had no compensation through the Criminal Injuries Compensation Authority. Will the Minister review the eligibility for compensation for those injured in such circumstances as Sheila's?

Tom Pursglove: I am very sorry to hear about this particular incident, and I commend, as my hon. Friend did so brilliantly, Sheila's bravery in stepping in to help the individual affected. The criminal injuries compensation scheme exists to compensate for serious physical or mental injury attributable to being a direct victim of a crime of violence. The scheme is publicly funded, which means that there are strict eligibility criteria. An animal attack will amount to a crime of violence only where the animal was used deliberately to inflict injury. In 2020, we had a consultation on proposals to make claiming compensation simpler for victims of violent crime. We set out that expanding the definition of a crime of violence would go far beyond the original intention of the scheme, but we will be publishing a response in due course.

Karl Turner (Kingston upon Hull East) (Lab): I am afraid to tell the Minister that victims of crime are being further let down by the Government's terrible handling of the Criminal Bar Association dispute. I know that a Minister has now finally agreed to meet the Bar Council and the Criminal Bar Association, and I think that meeting is tabled for next week, but what they need to know at that meeting is when the Department will set a timetable for implementing the money that Sir Christopher Bellamy said was needed urgently. Incidentally, Sir Christopher Bellamy, who I have a great deal of respect for, is now a member of the House of Lords. When is that money coming?

Tom Pursglove: No doubt the Under-Secretary of State for Justice, my hon. Friend the Member for South Suffolk (James Cartlidge), will be answering questions on that from Members on both sides of the House. I have heard what the hon. Gentleman said, but I note that the Opposition backed the Bellamy review and its outcomes, which we are getting on with delivering.

Mr Speaker: We now come to the shadow Secretary of State.

Steve Reed (Croydon North) (Lab/Co-op): As we have heard, Members on both sides of the House want victims' needs to be put first, so why did the Secretary of State tour the TV studios to defend the Prime Minister for ignoring the victim of predatory sexual behaviour by a former Foreign Office Minister when he promoted him to Deputy Chief Whip, despite having been alerted to that behaviour by the permanent under-secretary and despite the Minister in question having admitted to the behaviour?

Tom Pursglove: My clear understanding is that the hon. Gentleman is wrong about that, but of course it is right that the processes that have been set out should be allowed to run their course. All hon. Members take a very dim view of people being ill-treated and it is right that due process can now be followed. What is not in question is the Government's determination to ensure that outcomes for victims are better; the funding and the measures in the Bill are there, and we will get on and deliver that.

Courts System

7. **Andrew Lewer** (Northampton South) (Con): What steps his Department is taking to modernise the courts system. [900899]

8. **Craig Williams** (Montgomeryshire) (Con): What steps his Department is taking to modernise the courts system. [900900]

The Parliamentary Under-Secretary of State for Justice (James Cartlidge): We are investing £1.3 billion in transforming the justice system, including by introducing 21st-century technology and online services to modernise the courts. Digital reforms and simplified services are removing simple cases from court; cutting down on unnecessary paperwork; and helping some of the most vulnerable people, who are facing difficult situations, to get justice as quickly as possible. That is also critical to enable us to recover workloads in courts and tribunals, which are still experiencing the impacts of the pandemic.

Andrew Lewer: It takes private landlords an average of about nine months to repossess a property through the courts, and the end of section 21 repossessions will lead to more cases. The rental reform White Paper committed to improving the courts system. Will the Minister commit to those reforms being in place before the Government make changes to the way that private rented tenancies operate?

James Cartlidge: My hon. Friend asks an important question. I can confirm that on 16 June, the Government published their response to the "Considering the case for a Housing Court" call for evidence. Moreover, we are injecting more than £10 million a year into housing legal aid through our reforms to the housing possession

court duty scheme. By 2023, we will modernise how the courts deal with possession claims as part of the Her Majesty's Courts and Tribunals Service reform programme that I referred to. We will further streamline the court process to ensure that landlords can get possession in the most urgent circumstances. Finally, we will continue to make administrative efficiencies to maximise bailiff resource for enforcement activity, including the enforcement of possession orders.

Craig Williams: I thank the Minister for his substantive reply. Modernising the courts system is essential if we are to clear the covid backlog and get victims the justice they need. I ask him to update the House on video technology and remote hearings, and how they can help.

James Cartlidge: My hon. Friend raises an excellent point. We have to understand that when the pandemic hit, it presented the greatest challenge to collective access to justice for many decades. We cannot underestimate the way that technology in every jurisdiction, including Scotland and England and Wales, helped to ensure that we maintained access to justice as far as possible. To confirm, more than 70% of all courtrooms, including more than 90% of Crown courtrooms, are fitted with our video hearings platform, which enabled up to 20,000 cases to be virtually heard every week at the height of the pandemic. Of course, whether a specific hearing is heard remotely or in person is a matter for the independent judiciary, but I confirm that we work closely with it through HMCTS to look at what more we can do to increase throughput and output in our courts by the use of technology.

Valerie Vaz (Walsall South) (Lab): What is the point of having a modernised courts system if we do not have the lawyers to go with it? On what date will the Minister meet members of the Criminal Bar Association to discuss pay and a modernised courts system?

James Cartlidge: I am grateful to the right hon. Lady. Further to the question of the hon. Member for Kingston upon Hull East (Karl Turner), I can confirm that I have met the chair of the Criminal Bar Association seven times since the publication of the independent review of criminal legal aid. My officials meet representatives of the CBA almost weekly, so there is lots of engagement going on. I meet frequently with the Bar Council and the Law Society, because we have to remember the criminal solicitors' view in all this as well. I can clearly confirm that we have decided to increase most of the key criminal legal aid fees by 15% from the end of September. We think that is a generous offer, as I am sure most of our constituents would agree, in the light of what is happening with the economy. I urge those engaged in disruption to reconsider so that we can get back to reducing the backlog, instead of threatening to increase waiting times.

Andy Slaughter (Hammersmith) (Lab): The courts system relies on litigants having access to appropriate advice and representation, so why are the Government cutting funding to the Support Through Court charity and extending fixed recoverable costs to housing cases that will prevent law centres and other providers from

having the means to represent vulnerable tenants against bad landlords, including in disrepair and unlawful eviction cases?

James Cartlidge: On the hon. Member's first point, I have provided a written answer, which I will happily forward to him—I cannot remember if the question was from him—in which the existing position on funding was clarified. I am confident that we have put in a huge funding package across the justice system, with £477 million to support court recovery in the spending review. That is a significant investment, but I am more than happy to look at what has happened to funding for specific charities.

Gareth Thomas (Harrow West) (Lab/Co-op): As the Minister considers how to modernise the courts system further, he might want to reflect on the lessons learned—or not—from a court case in 1984, when 37 workers from the Cammell Laird shipyards were unjustly imprisoned at a maximum security prison, and as a result were sacked, blacklisted, and lost redundancy and pension rights. Will he commit today to examine what papers his Department and the rest of Government hold on this case so that such an injustice can never happen again?

James Cartlidge: If the hon. Member writes to me, I will be more than happy to get my officials to look into that historical case.

Sir Christopher Chope (Christchurch) (Con): My hon. Friend talks about implementing the Bellamy review, but that recommended a 15% rise immediately. As I understand it, the Government are saying there will only be a 15% rise from September, and that will only be in respect of new cases. Why do the Government not commit themselves to implementing the Bellamy review, thereby ensuring that our courts are not blocked as they have been?

James Cartlidge: I am grateful to my hon. Friend, as ever. What the Bellamy review said was that the increases should be delivered as soon as is practicable, and I am 100% certain that we are doing so. We had to consult, which is a requirement under public law principles, and we have to legislate through a statutory instrument, which is the parliamentary procedure, but I am confident that we are delivering this as fast as we can. There have been calls for the increases to somehow be backdated to existing work, but there are huge legal questions about that and it is also very difficult practically. How practical would it be, politically, to start delivering backdated increases in public sector pay?

International Criminal Court: Ukraine

10. **Patricia Gibson (North Ayrshire and Arran) (SNP):** What support his Department is providing to the International Criminal Court's investigation into war crimes in Ukraine. [900904]

The Lord Chancellor and Secretary of State for Justice (Dominic Raab): We have offered the International Criminal Court a comprehensive package of financial and technical support to ensure that leaders under President Putin and those in the field can be held to account for any war crimes in Ukraine.

Patricia Gibson: The International Criminal Court celebrated its 20th anniversary last week, but it is striking that in that time the Court has managed only three war crime convictions. Does the Secretary of State agree that, if the Putin regime is to be held accountable, that will only happen with sustained international support and funding? Has he had discussions with international counterparts in Governments who are not members of the International Criminal Court to encourage them to join?

Dominic Raab: I thank the hon. Lady, and she is absolutely right that the Court can only do so much. It is not an overarching justice system with all the investigators, witness relocation schemes and enforcement powers that a domestic scheme or a domestic jurisdiction would have. We have provided financial support and a dedicated liaison officer from the Met, based in The Hague, to facilitate information co-operation. We have offered military analysis support and witness protection support. I have had discussions, and so has the Foreign Office, with other supportive states parties, including the US war crimes ambassador, about how they can support the ICC in ensuring that there is accountability for war crimes in Ukraine.

Robert Jenrick (Newark) (Con): Does my right hon. Friend agree that the decision of Russia and its proxies to place on trial four British nationals—three of whom are serving members of the Ukrainian armed forces, and the other is a civilian—and subject them to a kangaroo court, sentencing two of them to death, amounts to a war crime? What support will he give to the Ukrainian authorities, specific to these cases, to help them amass the evidence they will need in due course to bring all those concerned to justice?

Dominic Raab: My right hon. Friend is absolutely right: this is another unlawful act, taking Russia further and further into pariah status. We have said that clearly, and our allies have too. On Ukraine, as well as the support that we are providing to the ICC, I have had meetings with the Ukrainian Minister of Justice and the Ukrainian Prosecutor General, to ensure that they have all the support that we can practically provide in relation to the domestic investigations they are conducting.

Duty Solicitors: England

11. **Kim Johnson (Liverpool, Riverside) (Lab):** What assessment he has made of the effect of availability of duty solicitors in England on access to justice. [900905]

13. **Janet Daby (Lewisham East) (Lab):** What assessment he has made of the effect of availability of duty solicitors in England on access to justice. [900908]

The Parliamentary Under-Secretary of State for Justice (James Cartlidge): The Legal Aid Agency keeps market capacity, including the number of duty solicitors on each local duty scheme, under constant review, to ensure that there is adequate provision of legal aid throughout England and Wales. The LAA is satisfied that there continues to be sufficient duty solicitor coverage across all duty schemes in England and Wales, and it moves quickly where issues arise to secure additional provision and ensure continuity of legal aid services. Provision under the duty scheme is demand led, so there may be variations in numbers across each local rota, or other

fluctuations in numbers. A procurement exercise for new criminal legal aid contracts commenced on 1 October and is currently under way. The LAA will publish lists of providers and duty solicitors under those contracts, once the contract has commenced.

Kim Johnson: I send my solidarity and support to the barristers in Liverpool, and to those striking nationally over unsustainable cuts to pay and conditions and the failing justice system. Merseyside and Vauxhall law centres in my Liverpool, Riverside constituency do an excellent job providing legal support to people losing their homes. What steps is the Minister taking to review the shortages of duty solicitors at housing possession court, and what are his plans to improve that, because it is not a consistent approach?

James Cartlidge: The hon. Lady says that she stands in solidarity with the striking barristers. I remind her that back in February, before the publication of our response to the independent review of criminal legal aid, she attended a debate on legal aid in the north-west. Every Labour MP who spoke supported a 15% increase in fees, including three Labour MPs who would subsequently go out with the RMT. They supported 15% then, as did those on the Opposition Front Bench. Do they still support 15% now? If they do, they should not be supporting the strike action when we have that offer on the table. By the way, that 15% increase includes duty solicitors. It will increase the police station scheme funding. That is why it is good news for the criminal legal aid solicitors the hon. Lady is talking about.

Janet Daby: Last week I visited Boothroyd Solicitors, who provide legal aid services in my constituency. They told me that despite being very busy, the business costs of their work, mixed with cuts to criminal legal aid, mean that they and many other criminal duty solicitors are in financial difficulties. They are receiving promises from the Government, but no action. Boothroyd Solicitors warns that access to an availability of duty solicitors will be severely impacted in the years ahead, if it is not tackled now. Will the Government urgently address that?

James Cartlidge: We all want to see thriving duty rotas in our police stations, and it is incredibly important that we support funding for criminal legal aid for the police station scheme. That is why we are increasing those fees by 15%. Indeed, I confirm that in relation to police station fees, the actual increase overall is 18%, as that will include expected additional expenditure, including pre-charge engagement. In total it is an 18% increase for police station duty solicitors. In addition, we want to see a new generation coming through, so we will also be ensuring that those with Chartered Institute of Legal Executives qualifications can more easily participate in the duty solicitor scheme.

Mr Speaker: I call the Chair of the Justice Committee.

Sir Robert Neill (Bromley and Chislehurst) (Con): The Minister knows that the Justice Committee welcomed the Government's acceptance of Sir Christopher Bellamy's review, which relates to fees for both barristers and solicitors in criminal work. We all want barristers and solicitors to return to accepting instructions in all forms of case. The Minister will also remember that

Sir Christopher's review stated that the £135 million that is being paid, I grant in tranches, and subject to certain reforms, was

"the minimum necessary as the first step in nursing the system of criminal legal aid back to health after years of neglect".

The "minimum necessary" first step. Will the Minister reassure practitioners of both professions that he accepts it is a first step, and that the Government are willing, able and ready to engage with the professions on the second step? Reassuring that good faith would make it easier to resolve the current impasse.

James Cartlidge: I am grateful, as ever, to the Chair of the Justice Committee. He may have seen that on Friday I published an article in the *Law Society Gazette* where I said that now that we have confirmed we will be legislating to deliver 15% increases to most criminal legal aid fee schemes by the end of September, I am keen that we move on to the next phase of reform. I am keen to engage with all parties, including the Criminal Bar Association, on how we can deliver that next stage. Everybody, including the CBA and the Bar Council, wanted this to be done in stages so that we could get in the initial increases as fast as possible, and that is what we are committed to.

Lammy Review

14. **Kate Osamor** (Edmonton) (Lab/Co-op): What recent progress he has made on the implementation of the recommendations of the Lammy review. [900909]

The Parliamentary Under-Secretary of State for Justice (James Cartlidge): We have implemented almost all the actions that we committed to in response to the Lammy review and our work continues on the longer-term recruitment targets for HMPPS. That work is firmly embedded in the HMPPS race action programme: a significant three-year investment to deliver long-term change in inequality. We recognise that the Lammy review was an important start, not a complete solution, and our work has evolved considerably. Central to that are our commitments in the inclusive Britain strategy.

Kate Osamor: The Government's offensive Sewell report sought to dismiss evidence of institutional racism in Britain, yet we know that systematic discrimination remains rife in the criminal justice system, such as the proportion of prisoners from ethnic minority backgrounds on remand. Will the Minister commit to publishing further progress updates on the Lammy recommendations so that the Government's progress can be publicly held to account?

James Cartlidge: The hon. Lady makes a fair point. We obviously want to be held to account, and I am more than happy to write to her with further details of the progress that we are making. To give just one example, in our inclusive Britain strategy, we committed to a special pilot in police stations that is ensuring that juveniles receive legal advice. As she knows, many juveniles—and, it must be said, particularly those from ethnic minority backgrounds—were not engaging with the system; in the pilot, they must proactively choose to opt out. I have personally been to Wembley police station and to Brixton, where the trial is happening, and I am pleased to say that so far the results are incredibly encouraging: they suggest less time in custody for those juveniles who are participating. Most importantly, some

of them are more likely to have an out-of-court disposal. We are trying to break that chain of getting stuck in the criminal justice—[*Interruption.*]

Mr Speaker: Keep going.

James Cartlidge: It would appear that it happens whenever I am speaking, Mr Speaker. I do not know if it is personal.

I am grateful to the hon. Lady for that important question. As I said, I will write to her with further details and update her.

Reoffending Rates: Friday Releases

16. **Bob Blackman** (Harrow East) (Con): What assessment he has made of the impact of ending Friday releases on reoffending rates. [900911]

The Minister of State, Ministry of Justice (Victoria Atkins): I know that accessing timely support on release can be particularly challenging on a Friday and that that can increase the risk of reoffending. That is why the Government have committed to pursuing legislation when parliamentary time allows to enable the release of prisoners up to two days earlier when a release date falls on a Friday or before a bank holiday. I welcome the fact that my hon. Friend the Member for Workington (Mark Jenkinson) has introduced a private Member's Bill on the issue. I look forward to that.

Bob Blackman: What is key is that if we release ex-criminals and ex-offenders on a Friday, they are likely to return to their former habitat, reconnect with individuals whom they committed crimes with and reoffend. Equally, if they are homeless, they will not get any service from the local authority. I therefore commend the moves to change the position so that we can encourage people to rebuild their lives after being in prison.

Victoria Atkins: I thank my hon. Friend, who has a long record of tackling homelessness. We are particularly conscious of the impact that homelessness can have on ex-offenders released from prison, so, in addition to our commitment to legislate on Friday releases, by 2024-25 we will invest an additional £200 million a year to transform our approach to rehabilitation, including expanding our transitional accommodation service across England and Wales. Ex-offenders need a home, a job and a support network, and we are determined to help them to gain all three.

Sexual Offences: Delays to Trials

20. **Nadia Whittome** (Nottingham East) (Lab): What steps he is taking to tackle delays to trials for (a) child and (b) adult victims of sexual offences. [900916]

The Parliamentary Under-Secretary of State for Justice (James Cartlidge): The Government are committed to supporting the recovery of the courts for all court users, including those who face delays in accessing justice in serious sex cases. Of course, the listing of cases is a judicial function, and judges continue to work to prioritise cases involving vulnerable complainants and witnesses such as serious sex cases.

Timeliness is improving. The time that it takes for adult rape cases to be completed from charge continues to fall and is down by five weeks since the peak last year. I do not have the figures for child cases, which are not broken down on that basis. I confirm that we are increasing funding for victim support services to £192 million by 2024-25.

Nadia Whittome: I thank the Minister for his reply. In Nottinghamshire last year, for cases involving rape the average time between a case arriving at the Crown court and being completed was 470 days—more than a year and three months. I am sure he agrees that that is completely unacceptable. I welcome the pilot of specialist courts to prosecute rape cases in just three areas, but that will not tackle the root causes of the backlog, which was growing long before the pandemic and which the Victims' Commissioner says is due to underinvestment. When will the Minister reverse the cuts and ensure that everybody receives the justice they deserve?

James Cartlidge: I am grateful to the hon. Lady. She talks about the backlog being a problem before the pandemic, but I have to point out to her that the backlog was lower going into the pandemic than it was when Labour was last in power. There is always a backlog of cases. There are always outstanding cases. The point is that when the pandemic hit there was a complete and total collapse in our courts, because they were closed, and then we had two-metre social distancing and they took a long time to recover. But they have recovered and the backlog is coming down. She talks—*[Interruption.]* I am answering the hon. Lady's question. She talks about funding. I can confirm that we put in almost half a billion pounds of funding into the spending review. That will ensure, for example, that this year, for the second year on the trot, we are removing the ceiling on sitting days in the Crown court. Provided we reduce the disruption we are experiencing now, we should be able to continue to reduce the backlog and deliver swifter and better justice for our constituents.

Afzal Khan (Manchester, Gorton) (Lab): The Lord Chancellor claims that protecting women and girls is his No. 1 priority, yet victims of domestic abuse face an invasive legal aid application that turns many women and girls away. The recent means test review is a step in the right direction, but it still does not go far enough and leaves many vulnerable women representing themselves in court. Will the Minister outline what steps he is taking to increase legal aid accessibility for victims of domestic abuse and violence?

James Cartlidge: I can confirm, as the hon. Gentleman is aware, that our consultation on the means test threshold would result in 2 million more people having access to legal aid in civil cases and more than 3 million people having access in the magistrates court. In both cases, that could of course include domestic abuse. An important point in that consultation is that we are proposing that where property assets are in dispute in a domestic abuse case in relation to the means test and the capital test for civil legal aid, they would be removed. That underlines again, not just in criminal legal aid but in civil legal aid too, that the Government are putting in significant investment and driving very positive reform.

Topical Questions

T1. [900882] **Caroline Ansell** (Eastbourne) (Con): If he will make a statement on his departmental responsibilities.

The Lord Chancellor and Secretary of State for Justice (Dominic Raab): Since the last oral questions the Police, Crime, Sentencing and Courts Act 2022 has entered into force, I published the Bill of Rights and we submitted our victims Bill to pre-legislative scrutiny.

Caroline Ansell: I thank my right hon. Friend for his response. For as many years as I have served as Eastbourne's Member of Parliament, Eastbourne residents have expressed to me their dismay, their outrage even, that foreign national offenders—dangerous criminals—have used the right to family life to frustrate their deportation, a deportation ordered for public safety. How will the Bill of Rights address that?

Dominic Raab: I thank my hon. Friend; she is absolutely right. The Bill of Rights is now published and she will see, explicitly and squarely in relation to article 8, clear guidance and prescription on interpretation to prevent the ever-elastic interpretations of the right to family life, the shifting goalposts, that allows those offenders to trump the overwhelming public interest in their deportation.

Mr Speaker: I call the shadow Minister, Anna McMorrin.

Anna McMorrin (Cardiff North) (Lab): Seven years on, we do not have a victims Bill in statute. Thousands of victims are trapped in court backlogs and domestic abuse victims are still being cross-examined by their abuser in family courts, despite that being made illegal last year. Not only does the abuse continue, but the Government have facilitated it by deciding that that provision will not apply to domestic abuse victims who are already in the system. Will the Government ensure that that will apply to them and explain why victims should think that they are anything but an afterthought for the Government?

Dominic Raab: Again, an Opposition Front Bencher is denigrating the important—albeit incremental—reforms that we are making for victims. In fact, a victims law is currently subject to pre-legislative scrutiny and it will be introduced. We are increasing the victims surcharge by 20% and are changing the way that the Crown Prosecution Service communicates. Since the last Labour Government, we have quadrupled the amount of funding that goes to victims services, and we have rolled out section 28. She is right to say that we have prioritised rape and serious sexual violence. *[Interruption.]* We will get on to that. In fact, the reality is that the number of rape convictions has increased by two thirds over the past year. We have also taken action through the Police, Crime, Sentencing and Courts Act 2022 on domestic abuse, which the hon. Lady voted against.

T2. [900883] **Mr Gagan Mohindra** (South West Hertfordshire) (Con): I recently had the pleasure of visiting HMP The Mount in my constituency, where I learned about its excellent work to provide inmates with practical work skills for life after prison. What steps is my right hon. Friend taking to ensure that when individuals leave prison, they are given the tools

and skills to successfully rehabilitate themselves back into society—as they are at HMP The Mount—and get back into work, and not to fall back into a life of crime?

Dominic Raab: I have fond memories of playing Sunday league football in my younger years in The Mount prison against the offenders. They won fairly convincingly—something tells me that they were not out on the Saturday night in the way that my team was.

My hon. Friend asks a serious question: what are we doing? In the past year, we have seen a 67% increase in offenders leaving prison being in work within six months. That is a big step change and we are restless to go further. We are doing that with the roll-out of employment advisory boards—I am very grateful to James Timpson for driving that forward—employment hubs in prison, and critically, the drugs strategy, which will stop offenders languishing on methadone, at which point they are no good for anything.

Mr Speaker: I call the Scottish National party spokesperson, Anne McLaughlin.

Anne McLaughlin (Glasgow North East) (SNP): Last week, Russia followed the UK Government's lead in ignoring a ruling from the European Court of Human Rights, telling the Court:

“Russia no longer complies with the prescriptions of the ECHR—that's all there is to say”.

When the Lord Chancellor sees that kind of behaviour, does he ever have second thoughts about the type of company that he is taking the UK into as a result of his proposals? How does he think that will be viewed by the international community?

Dominic Raab: I am not sure what the hon. Lady thought she was referring to in the sense that we have ignored any rulings. We have one of the highest compliance records in the Council of Europe. Frankly, I think she has a problem with her moral compass if she is equating our approach with that of President Putin. *[Interruption.]*

Anne McLaughlin: I am sorry to laugh—*[Interruption.]*

Mr Speaker: Order. It is one thing for an hon. Member to come in to the Chamber very late, but it is another for them to start shouting. If they want to shout, shout outside.

Anne McLaughlin: Thank you, Mr Speaker. This really is a tale of two countries.

In Scotland, legislation passed by the Scottish Parliament is not law if it is incompatible with the rights defended in the Human Rights Act. That is also woven through the devolution settlement. If the UK removes the Human Rights Act, but the Scottish Parliament refuses consent, what will the Government do? What options exist, other than voting yes to independence, to retain our human rights protections in Scotland?

Dominic Raab: This always comes back round to independence rather than the bread-and-butter issues that the people of Scotland face. The hon. Lady should vote for our Bill of Rights because the people of Scotland are frustrated, as are people across the United Kingdom, when they hear of cases—such as those raised by my

hon. Friend the Member for Eastbourne (Caroline Ansell)—of people committing serious offences, but who are not able to be deported because they claim ever-elastic interpretations of the right to family life.

T6. [900887] **Simon Baynes** (Clwyd South) (Con): Does the Minister agree that the many people who give their time free of charge to act as magistrates are a fantastic asset to this country? They are the backbone of our justice system: without them, it could not function effectively.

The Parliamentary Under-Secretary of State for Justice (James Cartlidge): My hon. Friend is absolutely right that magistrates are the backbone of our criminal justice system. When the pandemic hit, output completely collapsed in the magistrates courts, but individual magistrates, their legal advisers and staff in our magistrates courts have worked incredibly hard to recover the position. In March, we had the highest number of disposals in magistrates courts since before the pandemic.

We have taken two key measures to strengthen magistrates: we have increased their sentencing powers from six months to 12 months, and launched a £1 million recruitment campaign. I am pleased to say that we have had 33,000 expressions of interest so far, which bodes well for the next generation of our volunteer judiciary.

T3. [900884] **Liz Twist** (Blaydon) (Lab): Prosecutions for rape cases are at an appallingly low 1.3%—even an increase of two thirds still translates to less than 2%, which is truly shocking—and drop-out rates are at more than 40% because of court delays and onerous evidence requirements. What is the Minister of State doing for victims of rape, to significantly increase the number of prosecutions and convictions?

The Minister of State, Ministry of Justice (Victoria Atkins): A huge body of work is going on across every part of the criminal justice system, from the police to the Crown Prosecution Service and through to the courts. It involves the recruitment of more independent sexual violence advisers, who can make such a difference not only to victims' recovery, but to their willingness and ability to continue with a prosecution. In particular, we are introducing enhanced measures for specialist support within three pilot courts to support victims who are taking forward these very difficult cases. We are working with the judiciary, the police and the CPS to ensure that we measure and identify what is working so that we can replicate it across the country.

Dame Caroline Dinenage (Gosport) (Con): When it comes to female offenders, trauma-informed and gender-responsive programmes are the only way to break a cycle of crime and incarceration. Tomorrow, the brilliant charity One Small Thing will be here in Parliament to discuss the latest research on the intergenerational traumatic impact of maternal imprisonment. I would really love all Justice Ministers, but particularly my hon. Friend the Minister of State, to come along and hear how the justice system could better be formatted to support women and children.

Victoria Atkins: I thank my hon. Friend for that kind invitation; I would be delighted to attend. On the impact of intergenerational trauma, one of the many reasons

we are piloting the first residential women's centre in Wales is that we want to see how women who should not be receiving the very short sentences that can be imposed can benefit from an intensive residential course rather than prison. I will be watching the results with interest.

T4. [900885] Lloyd Russell-Moyle (Brighton, Kempdown) (Lab/Co-op): There is only one legal aid provider for immigration in Brighton and the surrounding area of Sussex: BHT, which is currently operating a waiting list and is only prioritising unaccompanied minors. Lawstop, a legal aid provider in other areas, has applied to the Legal Aid Agency for immigration legal aid support, but has been told that there is no demand in the area. How can that be, if the only other provider has to operate a waiting list and is only able to help unaccompanied minors? Is it not now time to change how legal aid contracts are given, so that all those who request it can get access to legal aid?

James Cartledge: We are making a significant investment in additional funding for legal aid in immigration cases. I am happy to write to the hon. Gentleman with the full details of that important step change. On the wider issue of access to legal aid, I spoke earlier about our consultation on civil legal aid reform and the means test, which will enable 2 million more people to have access to civil legal aid and 3 million more people to have access to legal aid in the magistrates courts. Combined with the £135 million that we are investing in criminal legal aid in response to the Bellamy review, that is a significant investment, by any measure, in legal aid in all our constituencies.

Sir Robert Buckland (South Swindon) (Con): Further to the question that my hon. Friend the Member for Bromley and Chislehurst (Sir Robert Neill) asked, I commend the courts Minister for his announced intention to meet representatives of the criminal Bar. May I press him to do so at the earliest opportunity? Will he make the subject matter of that meeting the implementation of the rest of the Bellamy reforms, notably the reforms to the advocates' graduated fee scheme and the composition and remit of the advisory board?

James Cartledge: My right hon. and learned Friend has made an extremely good point. He is aware of the article to which I referred in my answer to my hon. Friend the Member for Bromley and Chislehurst—the Chairman of the Select Committee—in which I made clear my wish to engage with the Criminal Bar Association on the next stage of reform, which includes the advocates' graduated fee scheme and some of its core elements that were not in the first phase. As I have said, we adopted that two-phase approach precisely in order to deliver the initial increase in fees as soon as practicable, and it will be introduced in September: a 15% increase for criminal barristers working in magistrates courts and police stations and for those in the AGFS. We think that that is a very generous offer, and we hope the members of the CBA will think about it and stop their disruption of our courts.

T8. [900889] Grahame Morris (Easington) (Lab): I understand that the Government have now received the recommendations from the Prison Service pay review body for a rise in prison officers' wages. I do not know

whether the Secretary of State chats to any security guards on the House of Commons estate, but many of them are former prison officers who left the service because of poor pay and bad terms and conditions in our prisons. When will the Secretary of State respond to those recommendations, and will he agree to follow them in full and not pick and choose, which is what has been done for the past three years?

Dominic Raab: The hon. Gentleman has raised an important issue. I am considering the recommendations very carefully, and will respond shortly.

Kevin Hollinrake (Thirsk and Malton) (Con): Given that 40% of crime is now economic crime, it is disappointing that the Law Commission has recommended restricting corporate criminal liability for failing to prevent economic crime to fraud, and leaving out key crimes such as money laundering and false accounting. Will my right hon. Friend agree to meet me to discuss the benefits of a review with a much wider scope?

The Minister for Crime and Policing (Kit Malthouse): Yes.

T10. [900891] Jeff Smith (Manchester, Withington) (Lab): In the wake of legal aid cuts and, now, cuts in a few charitable services—such as Support Through Court, which, as we heard earlier, has had its core funding cut—and given the cost of living crisis, how do the Government expect people who cannot afford lawyers to navigate court if the last remaining services that could help them are lost?

James Cartledge: As I have just made absolutely clear, as a result of our consultation we will be increasing access to legal aid. Two million more people will have access to civil legal aid, 3 million more will have access to legal aid in the magistrates courts, and there will be £135 million of additional funds for criminal legal aid following the independent inquiry conducted by Sir Christopher Bellamy, now Lord Bellamy. We think that this is a significant and positive reform, which, incidentally, will help to drive wider reform of the criminal justice system and civil legal aid.

Theresa Villiers (Chipping Barnet) (Con): The Government are consulting on SLAPPs—strategic lawsuits against public participation. How will this ensure that action is taken against candidates who seek to use litigation and threats of it in an oppressive way to shut down debate during elections?

Dominic Raab: We issued a call for evidence on a suite of proposals, and we are gathering the responses and formulating proposals to ensure that those with deep pockets—oligarchs and the like—who try to silence the voices of transparency cannot do so in this jurisdiction. I will be seeking a legislative vehicle to implement those proposals.

Dan Jarvis (Barnsley Central) (Lab): The International Criminal Court has just issued arrest warrants for three men on suspicion of abduction, torture and other war crimes during Russia's invasion not of Ukraine, but of Georgia. This is a reminder that Putin's barbarity stretches back many years, and that prosecuting such barbarity also takes many years. Can the Secretary of State

ensure that our commitment to delivering justice for those who have suffered in Ukraine will endure for the longer term?

Dominic Raab: The hon. Gentleman is right to raise this issue. We have been there at the outset supporting the ICC. I remember, as a young lawyer in The Hague, negotiating the UK-UN agreement on sentence enforcement, which, just last year, enabled us to take Radovan Karadžić into this country. That is exactly the kind of staying power that we will need in the case of Ukraine.

Rob Butler (Aylesbury) (Con): An inspection report on Oakhill Secure Training Centre has been published today. The centre has a very poor recent record. I am pleased to see that there are signs of improvement, but much remains to be done to achieve a sustained high standard. Will the Minister commit herself to ensuring that both the Ministry of Justice and Her Majesty's Prison and Probation Service continue to focus strongly on ensuring that Oakhill can enable children to truly turn their lives around?

Victoria Atkins: Very much so. As my hon. Friend knows from occasions when I have given evidence to the Justice Committee, we are keeping this under close review. We want the children who are held at Oakhill to be held in a way that is safe but also decent, and we want to rehabilitate those young people so that when they are released they can lead productive lives that are

free from crime. I welcome my hon. Friend's focus on this issue, and believe you me, it is absolutely mirrored in the Ministry.

Chris Bryant (Rhondda) (Lab): The Justice Secretary said this morning on television and on the radio, on the basis of conversations that he had had with the Prime Minister in the last 24 hours, that Lord McDonald's claim that the Prime Minister had been directly and personally informed and briefed, in person, on the allegations that were substantiated at the Foreign Office, while he was Foreign Secretary, against the right hon. Member for Tamworth (Christopher Pincher) was untrue. Has the Justice Secretary had further conversations with the Prime Minister, and is that still his position?

Dominic Raab: That is not what I said.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Could I have a reassurance from Her Majesty's Government that any proposal for an independence referendum coming forward from the Scottish Government, or indeed any proposed extrapolation of a general election result, will be closely examined within the context of United Kingdom law?

Dominic Raab: I can reassure the hon. Gentleman that the Government's position has not changed. We do not think that now is the right time for a second referendum, given all the pressures and challenges and given the outcome of the first. I think what the people of Scotland want to see is both their Governments—in Edinburgh and in Westminster—working closely together.

Standards in Public Life

12.35 pm

Angela Rayner (Ashton-under-Lyne) (Lab) (*Urgent Question*): To ask the Chancellor of the Duchy of Lancaster if he will update the House on the mechanisms for upholding standards in public life.

The Minister for the Cabinet Office and Paymaster General (Michael Ellis): Thank you very much, Mr Speaker. It is a pleasure to appear before you and the House on this important matter. We are fortunate in this country to have a sophisticated and robust system for upholding public standards. That system is multi-faceted; it is made up of interlocking and complementary elements. It is of course founded on the seven principles of public life, which have been in place for a quarter of a century and which provide the overarching qualities and standards of behaviour that are expected. I have some time to run through all the mechanisms that underpin the seven principles, but I will touch on something else first, which relates to the potential victims in any case where there are allegations of impropriety of any sort. I was a barrister in criminal practice for 17 years before being elected to this House, and I know how difficult it is for individuals to come forward. It is important that we do not prejudge any individual case. It is also right that the system that, after all, this House created relatively recently—namely the Independent Complaints and Grievance Scheme—is allowed to work its course.

There are additional rules and guidance to help to ensure consistency of approach—for example, in relation to public appointments, corporate governance and business appointments—when individuals move to roles outside Government, and there are independent bodies that provide a broad oversight of standards. The deputy leader of the Labour party, the right hon. Member for Ashton-under-Lyne (Angela Rayner), has asked about the mechanisms for upholding those standards, which exist as a result of the decisions of this House. There are bodies and officeholders with a role in overseeing specific aspects of public life, such as the Parliamentary Commissioner for Standards, the Civil Service Commission and the Commissioner for Public Appointments. Alongside them are regimes for the publication of Government transparency data and information on those who lobby Government.

We have a Parliament that upholds standards to cover all those in public life, but it is incumbent upon us not to prejudge these decisions. Ministers, public office holders and officials, in all their activities, must maintain the confidentiality of those who wish to make complaints across the lifetime of their involvement, but let me say that no system can replace the fundamental importance of personal responsibility. We all know this to be true. Codes, rules and oversight bodies are there to guide us, but all of us in public life must ultimately choose for ourselves how to act.

Angela Rayner: This constant charade just will not wash. These latest disturbing allegations about ministerial misconduct are all about abuse of power. There is one common fault with the system that the Minister spoke about, and that is the power that is granted by this Prime Minister.

The Minister spoke about personal responsibility. Well, he needs to remind the Prime Minister of his personal responsibility. Last week the Prime Minister said that he knew nothing of “specific” allegations about misconduct by the right hon. Member for Tamworth (Christopher Pincher). Then he claimed he had only been aware of “reports and speculation”. But the truth is out today, and that defence has been completely blown apart.

Lord McDonald says the Prime Minister was informed about a complaint, which was upheld, of inappropriate behaviour against the then Minister. Does the Minister for the Cabinet Office accept that Lord McDonald is telling the truth, or is he telling us that the Prime Minister was not aware of the complaint? What happened to the complaint, and why was nothing done at the time? A Minister of State at the Foreign Office has a deeply sensitive role in national security. Was this issue even brought up in the vetting process, and was the Prime Minister informed? Why was this conduct not considered a breach of the ministerial code? Why did the Prime Minister allow him to stay in post?

This goes to the heart of wider issues, and the public have had enough. Since the resignation of yet another of the Prime Minister’s ethics advisers last month, there has been an even bigger ethical vacuum in Downing Street, with no accountability in place. How can the Minister come here today and say that this simply would not happen again?

The Prime Minister was personally informed about these allegations, yet he was either negligent or complicit. What message does that send about the standards of this Government and those they set? What message does it send to the British people facing a cost of living crisis while their Government are paralysed by scandal? When will this Minister stop defending the indefensible and say, “Enough is enough”?

Michael Ellis: The matter of what happened with regard to the right hon. Member for Tamworth (Christopher Pincher) is now under investigation. It is possible that a police investigation may—may—follow, so it is clear that the sub judice rule should apply to individual cases, in the interests of justice for everyone concerned, both those accused and potential victims. The sub judice rule should apply very much to these proceedings.

With regard to the appointment to the Whips Office in February that the right hon. Lady mentioned, appointments in Government are subject, of course, to advice on matters of propriety—they are not subject to veto, but they are subject to advice. In addition, the usual reshuffle procedures were followed by the Government. I ask the House to accept that, bearing in mind that the Member in question had been reappointed to Government by a previous Prime Minister in 2018 and appointed in 2019 as a Foreign Office Minister, and that then, crucially, he was appointed for a third time in February, I doubt whether anyone with knowledge of those facts could say that this Prime Minister should have acted otherwise than he did.

It is the morally fair thing to do, in any case, to assess the situation based on evidence and not unsubstantiated rumour. It is incumbent on all of us in this House, as it is in society generally, to act fairly. If there is no evidence at the time—if there is no live complaint, no ongoing investigation—surely it is not unreasonable to consider making an appointment.

In the limited time available, I have made some initial inquiries. This is subject to further assessment, but my understanding is as follows: in October 2019, officials raised concerns with the then permanent secretary about the Member in question. The permanent secretary commissioned work to establish facts, and that work was undertaken on his behalf by the Cabinet Office. That exercise reported in due course to the permanent secretary, who had agreed its terms. It established that although the Minister meant no harm, what had occurred caused a high level of discomfort. *[Interruption.]* That is what the exercise established. The Minister apologised, and those who raised the concern accepted the resolution. The Prime Minister was made aware of the issue in late 2019; he was told that the permanent secretary had taken the necessary action, so no issue arose about the Minister remaining a Minister.

Last week, when fresh allegations arose, the Prime Minister did not immediately recall the conversation in late 2019 about this incident. As soon as he was reminded, the No. 10 press office corrected its public lines. The position is quite clear. Further inquiries will be made, but the position is that the Prime Minister acted with probity at all times. It is not appropriate, whether in private life or in public life, to act on unsubstantiated rumour.

Mr Speaker: We now come to the Chair of the Public Administration and Constitutional Affairs Committee, William Wragg.

Mr William Wragg (Hazel Grove) (Con): Thank you, Mr Speaker. My right hon. and learned Friend mentions the sophisticated and robust systems for upholding standards in public life, but those systems are, on the whole, irrelevant if the participants have no regard to them. The Government and, I suggest, my right hon. and hon. Friends sat on the Front Bench—I notice there is a preponderance of Government Whips there, rather than other Ministers—should consider what they are being asked to say in public, which changes seemingly by the hour. I ask them to consider the common sense of decency that I know the vast majority of them have, and to ask themselves if they can any longer tolerate being part of a Government who, for better or worse, are widely regarded as having lost their sense of direction. It is for them to consider their position. This is not a question of systems; it is a question of political judgment, and that political judgment cannot be delegated.

Michael Ellis: My hon. Friend is quite wrong. The Government know their direction, and that is to serve the British people by dealing with the issues that matter to them, including the cost of living, the crisis in Ukraine and the pandemic, which this Prime Minister and this Government have dealt with in an exemplary fashion.

Mr Speaker: We come to SNP spokesperson, Brendan O'Hara.

Brendan O'Hara (Argyll and Bute) (SNP): Here we are again, Mr Speaker. Once again, the Minister for defending the indefensible is sent out to defend his boss, but even he must realise the frequency with which we reconvene in this place to question the veracity of the Prime Minister's version of events; it is like being on a merry-go-round that gets faster and faster. Today, it is the turn of Lord McDonald, the former senior civil servant at the Foreign, Commonwealth and Development

Office, to call out the Prime Minister's claim that he was unaware of any specific allegations against the right hon. Member for Tamworth (Christopher Pincher) when he appointed him Deputy Chief Whip. In his letter to the Parliamentary Commissioner for Standards, Lord McDonald is unequivocal in saying that three years ago, in 2019, the Prime Minister

"was briefed in person about the initiation and outcome of the investigation."

Lord McDonald's letter absolutely demolishes the Prime Minister's claims that he did not know and, once again, raises serious concerns and questions about whether he has broken the ministerial code. How much longer will we have to endure this seemingly endless merry-go-round? Will the Secretary of State now commit to holding a full and transparent investigation into this matter, and perhaps finally allow us and the people of the United Kingdom to get off this appalling merry-go-round?

Michael Ellis: I realise that the hon. Gentleman from Scotland wishes to make political hay out of this situation, but it really does not wash. It is not indefensible to defend natural justice. Natural justice means acting on evidence, not on gossip, rumour and innuendo. It is a fact that in this place, and in SW1 generally, there are rumours, gossip and innuendo about a multitude of issues and people. The reason journalists do not report it is that they cannot stand it up with evidence. The reason why others do not act is, in many cases, because they have not got evidence. It is not indefensible to defend the principles of natural justice and not expect people to act—to defenestrate individuals—without proof. That is the difference.

Sir Bernard Jenkin (Harwich and North Essex) (Con): There is periodically much discussion in this place, and about this place, in respect of how we should address its culture, which seems to give permission for the wrong attitudes and wrong behaviours. How does it help if our political leaders, in all political parties, finish up promoting people with the wrong attitudes and the wrong behaviours? Is that not exactly what gives permission for the wrong attitudes and the wrong behaviours to persist?

Michael Ellis: My hon. Friend would be right if he were working under the assumption that those making the appointment knew that the individual in question had the wrong behaviours and the wrong attitudes. Submitting that it is a possibility, or that there are rumours, would not be sufficient; that is the crux of the difference.

Chris Bryant (Rhondda) (Lab): I hope one day that the Minister plays these things back and listens to himself. I do not think he will be proud of himself in later days. I know that many decent Conservative MPs feel terribly ashamed of everything that has been happening in this sordid process. Is not this the real problem? If the boss is someone who has spent all his political career trying to get away with things, and finding himself innocent in the court of his own opinion; if he boasts to everybody, laughingly, that all the sex pests support him for the leadership; if, whenever he gets into trouble, he tries to destroy the system; then all his allies will endlessly take liberties. It does not then feel like a Government who are trying to serve the British people. It just feels like a Government who are trying to help themselves.

Michael Ellis: The hon. Gentleman takes a sanctimonious tone. When it comes to this Government, he wishes to set himself up as judge, jury and executioner, but the reality is that taking the moral high ground is not something that fits well. He should bear in mind that it is also moral to treat people fairly; that includes victims and the accused. That is what I have done, and what I seek to do.

John Penrose (Weston-super-Mare) (Con): The Minister rightly pointed out in his introductory remarks that the seven Nolan principles of integrity in public life underpin and run all the way through the ministerial code, but it is clear from Lord McDonald's letter today that No. 10 has not been honest in what it has said. That is what Lord McDonald says in terms. One of the seven Nolan principles is honesty. No. 10 was previously accused, without rebuttal, of lacking leadership by Sue Gray in her report on what went on over partygate. How many more of the seven principles have to be breached before my right hon. and learned Friend stands up and says, "Enough is enough"?

Michael Ellis: I do not accept the premise of my hon. Friend's question. As I think he will note, when, after the exercise—the investigation that I referred to a few moments ago—the former Minister in question was appointed to the Department for Levelling Up, and then to the Whips Office, I am not aware that any further objection was made by the senior civil servant in question. That is something from which my hon. Friend can draw a note.

Wendy Chamberlain (North East Fife) (LD): As many in this House know, I am a former police officer, and something that is important for every single one of us as MPs is our responsibility for safeguarding, both on the estate and in our constituency. If I received an unsubstantiated allegation, I would do my best to find out as much as I could about it, not just from curiosity, but to ensure that people were safe. What has failed here? Is it a failure of process, integrity or both?

Michael Ellis: No. As I have articulated, there was an exercise in the Foreign and Commonwealth Office on the matter, which I believe went on for several weeks. I need to confirm the details, because I had insufficient time to do so this morning, but as I say, there was an exercise, and it concluded to the satisfaction of all involved. That was within the Department and, it appears to me, before the Prime Minister was made aware.

Mr Peter Bone (Wellingborough) (Con): Recently, at a Brexit opportunities debate here, there were no Liberal Democrats and virtually no Labour Members. The only time they turn up here is to bash Boris. Does my right hon. and learned Friend think that our constituents in Northamptonshire, which we both represent, are more concerned about an MP they have never heard about, or the biggest tax reduction in decades, which will happen tomorrow?

Michael Ellis: My hon. Friend hits the nail on the head, as usual. As he points out, Labour Members have made frequent requests for business in this House to be about not what our constituents primarily care about, but personalities. They do not raise the issue of policies,

because when they do, they lose. Instead, they focus on personalities, and that has been the drive of the past six months.

Mr Ben Bradshaw (Exeter) (Lab): Given the character and record of this Prime Minister and of this No. 10, and given that numerous Ministers have, in recent days, been sent out to spout different versions of events—which the BBC political editor this morning described as all having become "drivel"—how can any of us, including the Minister, have confidence that the latest version of events that he has given the House is true?

Michael Ellis: Well, in the first place, what I have set out to the House is a principle of natural justice that is true in every case. It would be true in the case of an allegation against anyone, in any circumstances. It is fair to complainants and those subject to allegations alike, and it applies all the time, so it is not a question of the individual facts that the right hon. Gentleman is alluding to. It is an overarching principle of fairness in life, which is to act on evidence, rather than gossip, innuendo and rumour. It may be that that gossip, innuendo and rumour later turn out to be true, but when persons in authority have to make decisions, they should do so properly and for good reason.

Jackie Doyle-Price (Thurrock) (Con): I have listened to my right hon. and learned Friend very carefully, and I hear what he says about natural justice, but the Government Whips Office is meant to organise us to get the Government's business done. That involves providing a safe space for discussions about policy issues, where there are differences on them, and a safe space for welfare. Notwithstanding what he said about natural justice, the very whiff of rumour and historical incident, which Simon McDonald referred to in his letter today, should have been enough to tell the Prime Minister that that appointment was not wise, and that he could have made use of the talents of the hon. Gentleman in question in a different Department, as he had done previously.

We have a real problem here. No. 10 has addressed the issue of its knowledge of these events with varying degrees of honesty; there has been, I think, half a dozen different variations in what it has said. I am very fond of my right hon. and learned Friend, and I think he is on a really sticky wicket today, but the way we move on from this is through a complete reset of standards, and a complete reboot of the ministerial code. What does he intend to do to convey to this House that the provisions of the ministerial code are taken seriously by this Government?

Michael Ellis: I can assure my hon. Friend that the codes of conduct—the codes of practice—are adhered to firmly by this Government and supported by this Prime Minister. She will know that any Prime Minister—in fact, any Secretary of State, Cabinet Minister, any Minister of the Crown—will regularly be dealing with a vast quantity of information. It is a question not of honesty or dishonesty, but of recalling every fact years after the event. If the circumstances were such that they were not firmly crystallised in any individual's mind at the time they were being given that information, they can easily not be recollected. It does not necessarily immediately impugn dishonesty if someone does not recall something years after the event, so I ask her to bear that in mind.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): The Minister has danced on a pinhead here, but as the hon. Member for North East Fife (Wendy Chamberlain) says, we are not just MPs, Ministers or Whips; we also employ staff in this place. Staff, who are often alone in our offices with us, rely on a code and a proper workplace. We do not have that here and this just undermines the support that we should be providing to the many people who work here. We have to get away from the idea of MP exceptionalism and stop dancing on a pinhead. The Minister should heed the words of the hon. Member for Hazel Grove (Mr Wragg) and say, “Enough is enough.”

Michael Ellis: I agree with the hon. Lady in as much as she says that we need to have care for our employees here. That is something with which we would all agree. In fact, it is this Government who set up the independent complaints and grievance system for staffers from this place to do that. So I ask her to characterise it as something on which we are all on the same side. I urge anyone who has any complaints at any time to make those complaints known. That is how justice is done.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): My right hon. and learned Friend says that all are innocent until proven guilty, and makes the point, which I agree with, that unsubstantiated allegations should not lead to people losing their jobs or not being appointed. What he has said is that the Prime Minister knew of the allegation in 2019. He said that discomfort was caused and he said that the right hon. Member for Tamworth (Christopher Pincher) apologised. The letter from Lord McDonald says:

“In substance, the allegations”—

at that time—

“were similar to those made about his behaviour at the Carlton Club.”

The allegations, as reported from the time at the Carlton Club, include sexual assault. Can he confirm whether the allegations made back in 2019 were of sexual assault? If they were and they were upheld and an apology was given, why were the police not involved and why was he not sacked at the time, never mind given another job?

Michael Ellis: I am unable to speak to that. But what I would say is that we must do everything we can to protect the confidentiality of those who make complaints. I am very concerned that the way in which this matter has been processed by some individuals means that it opens up a risk of a breach of confidentiality for those who have made complaints. That is paramount.

Clive Efford (Eltham) (Lab): The Minister is increasingly looking like the boy who stands on the burning deck. His problem is that the Prime Minister is going to desert him as well. The trouble is that gossip and innuendo actually become facts, which is something that the Minister does not recognise. Minister after Minister has been humiliated, going out and giving a storyline that has been given to them by No.10, which subsequently changes. And the story has changed again today from the Minister’s own mouth. We have heard from the Secretary of State for Work and Pensions, the Under-Secretary of State for Education, the hon. Member for Colchester (Will Quince), and now we have the facts from Lord McDonald. The fact is that special advisers have been used to put out and peddle this misinformation.

So what is going to be done to investigate them and the special advisers’ code of conduct because we cannot keep having No.10 just peddling lies?

Michael Ellis: I disagree with the hon. Gentleman. There is absolutely no evidence of what he speaks. The reality is that, when years-old allegations resurface, inquiries have to be made. It is not an immediate exercise; those have to be got right. Every effort is being made to give accurate information. I said in my opening remarks to this honourable House that, in the limited amount of time that I have had available, that is the information that I have received, but, clearly, there will be an exercise to be done.

Hywel Williams (Arfon) (PC): Last week, my right hon. Friend the Member for Dwyfor Meirionnydd (Liz Saville Roberts) tabled a Bill that would make it an offence for politicians to wilfully mislead the public. Will the Minister press the Leader of the House for parliamentary time for a Second Reading debate of that Bill as a step towards restoring people’s faith in democracy?

Michael Ellis: The business of the House is not a matter for me.

Dame Diana Johnson (Kingston upon Hull North) (Lab): I wondered whether the Minister was able to confirm whether anyone had personally raised with him concerns about the right hon. Member for Tamworth (Christopher Pincher).

Michael Ellis: That is not a matter for me. *[Interruption.]* I am not responsible for appointments, but there are mechanisms in place for complaints to be made.

Neale Hanvey (Kirkcaldy and Cowdenbeath) (Alba): A few short weeks ago, at Lord Geidt’s resignation, I asked the Minister what fresh scandal was coming down the tracks. He assured me that there was none, yet here we are. The principle at stake here should resonate not just in this place, but in Parliaments across the UK and beyond, because accepting personal responsibility, lawfulness and truth telling are essential conditions of honourable conduct. As President Nixon discovered, it was the cover-up and the decision to lie that delivered his undoing. Misconduct in public office is a serious charge. Following the recent revelations from Lord McDonald, can the Minister tell the House: what did the Prime Minister know and when did he know it?

Michael Ellis: I have already dealt with that matter but I will say this. I do not think that any Member of this House from any of the Opposition political parties should take the moral high ground in this matter. I do not choose to reiterate why, but none of us should come to this House expecting all the criticism for any misconduct by any Member to be levelled against any one individual. What happens is that, when wrongdoing has been found to be done, it is properly dealt with in the interests of justice, whatever the political party. But Opposition Members wish to make party political points out of a serious matter.

Maria Eagle (Garston and Halewood) (Lab): Over the past few days, Downing Street and the Prime Minister’s official spokesman have said different things at different times: first, that the Prime Minister was not aware of any allegations against the former Government Deputy

[Maria Eagle]

Chief Whip; then that they were not aware of any specific allegations; then that they were not aware of any serious specific allegations; and then that they were not aware of any allegations that were substantiated. Yet the letter from Lord McDonald to the Parliamentary Commissioner for Standards, published today, shows that all those briefings appear to be untrue. So can the Minister tell the House whether the Cabinet Secretary is investigating these serial breaches of the special advisers' code of conduct?

Michael Ellis: I do not accept the hon. Lady's characterisation. What she obviously does not wish to recognise is that, as days pass during a heated episode, investigation and media inquiries, pictures become more crystallised. As I said in my opening remarks, when fresh allegations arose, the Prime Minister did not immediately recall the matter that had been raised with him in late 2019. As soon as he was reminded, the No.10 press office corrected the public line. So it is not a matter of anything other than recollection and due process.

Caroline Lucas (Brighton, Pavilion) (Green): Just two months ago, the Prime Minister stood at the Dispatch Box at Prime Minister's questions and told me:

"of course sexual harassment is grounds for dismissal."—[*Official Report*, 27 April 2022; Vol. 712, c. 759.]

Yet in 2019 he kept the right hon. Member for Tamworth as Minister, and this year he gave him powers over MPs' welfare as Deputy Chief Whip, despite knowing that a formal complaint had been upheld against him. Let us be very clear: Lord McDonald's letter says in black and white:

"Mr Johnson was briefed in person about the...outcome of the investigation."

This is not about rumour, innuendo or gossip. Does that not show that the mechanisms for upholding standards in public life are only as good as the independence and integrity of the person charged with enforcing them—and does that not show not just that we need radical systems reform, but that the Prime Minister himself just has to go?

Michael Ellis: What the hon. Lady wishes to do is to draw politics into this matter. I would respectfully suggest to her that her drive to remove the Prime Minister will fail. The reason is that she focuses on personalities rather than on politics and policies. If she wishes to change the Prime Minister, she needs to win a general election in order to do so. This mechanism is not suitable for the party politics that she wishes to play.

Jess Phillips (Birmingham, Yardley) (Lab): I wonder if the Minister has seen his own Government's "Enough" campaign about abuse and harassment, which literally has an image of a drunk in a pub groping someone. The line is that, "This is enough" and that people should step in and do what they can. It does not say, "Wait until a completely independent inquiry has gone on, while you're in a pub with a gropey man—until you can try and do anything about it." The Minister has stood in here today and sought to use the standards bodies in this House, which he was not in the meetings for—I was—and which were set up to protect people and to look after victims. Whether it is the Sue Gray report or

the ICGS, there is always something that is meant to be for the standards for the public, but a Minister stands there and leans on that to try to get out of basically telling untruths to the public, allowing sycophancy rather than morality to be the reason why people are given their jobs. My question to the Minister is: if it had been me giving out those jobs, does he think the MP for Tamworth would have been able to get one?

Michael Ellis: I would expect of the hon. Lady perhaps more than she would expect of me. By that, I mean that I would expect her to act fairly. I hope that answers her question. If she was in that position of responsibility for making decisions about appointments, I would expect her to act fairly, full stop.

Lloyd Russell-Moyle (Brighton, Kempdown) (Lab/Co-op): It seems that the problem we have is many processes, all of which lead back to the personal discretion of the Prime Minister. Is it not the case that we need a single, unified process, without the engagement of the Prime Minister or internal party documentation or machinations, where light is shone on this, and which protects the victims and the accusers rather than the abusers? Is it not the case that we need that now, away from the Prime Minister and independent of this place and himself?

Michael Ellis: I have already adumbrated that there was an exercise within the Foreign Office at the time. The reality of the matter is that there was a process that was undertaken.

Mr Alistair Carmichael (Orkney and Shetland) (LD): In response to Sue Gray's interim report, the Prime Minister announced that he would set up an office of the Prime Minister to address what she had identified as "fragmented and complicated" leadership structures that, in turn,

"led to the blurring of lines of accountability."

Given the variety of conflicting accounts that we have heard in the past few days, how does the Minister think that has worked out?

Michael Ellis: If the right hon. Gentleman is asking me about machinery-of-Government processes and changes, that is not within my area of responsibility, but he knows what has been said about that. There is work going on all the time to look at machinery of Government and no doubt that will continue.

Sarah Jones (Croydon Central) (Lab): We now seem to be in a position where No. 10 have just admitted that the Prime Minister was told about the upheld complaint, but he forgot. Has the Minister ever found himself in a position where he did not immediately recall being told of an upheld complaint of sexual harassment against a fellow Minister?

Michael Ellis: I would ask the hon. Lady to understand that a Prime Minister has myriad urgent and pressing responsibilities. He may be told literally hundreds of things in any one day. The reality of the matter is that I cannot speak exactly to somebody else's mind, whoever that person may be. But if she says to the House that she has never forgotten anything, or asks whether I have ever forgotten or misremembered something, I do not accept that.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): There is real concern among staff and Members of Parliament about a culture within Westminster that protects abusers and does not encourage victims to come forward. We see here potentially the start of an unlocking of a type of abuse that has been common in Westminster for far too long, of men abusing other men, particularly young men. That is a scandal that will run for miles and miles, because it has been overlooked and deliberately hidden and those behind it have, in some cases, had the very highest people protecting them, through forgetting that things have happened. Will the Minister give us assurance now that he will treat a sexual abuse attack on a man in the same way as he would an attack on a woman, and make clear that there should not be a single Member of Parliament in this place, in any party, who is guilty of that?

Michael Ellis: The hon. Gentleman is completely wrong. There is no such culture either in this legislature or in the Executive. I have already said from this Dispatch Box that any victim should come forward about any incident at any time, and make themselves known and make their complaints. All are treated equally and will be treated equally. I have prosecuted personally cases in court. He asks me about that; there are a few barristers in this House who have been in criminal practice, and I am one of those who has prosecuted individuals for sexual assault and other criminal offences. So I am very alive to the issues generally, and I ask him to accept that we all come to this House in good faith to do the best we can, for our constituents and to look after those who work for us. Where there are failings, it is incumbent upon us to do the best we can to remedy and rectify those failings. That does not mean that we expect perfection in all cases, but it means that we should act fairly and reasonably at all times and do the very best we can.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): My constituents are facing a cost of living crisis made worse by underfunded, slashed public services. Does the Minister agree that, in the interests of the most efficient use of public funds and public service time, it would be best to open one commission to identify and investigate the occasions on which the Prime Minister has actually told the truth?

Michael Ellis: The hon. Lady mentions her constituents and mine and the focus on cost of living, but I am afraid that the Labour party has requested and been granted numerous hours in this House, which I have had the honour of responding to from this Dispatch Box, not to ask about or debate cost of living, but to debate personalities. I ask her to bear in mind, if she is asking about the time of this House, what her party has been focusing on—and it is not the global cost of living crisis.

Wayne David (Caerphilly) (Lab): The events of the past week show that the Prime Minister is sadly lacking ethics. Will the Minister confirm that it is still the Prime Minister's intention not to appoint an independent ethics adviser?

Michael Ellis: I have no idea what the hon. Gentleman is referring to. I do not recall at any point anyone's saying that that would be the case. I cannot confirm

something that I do not know to be the case. In fact, on the contrary, the Prime Minister is focused on ensuring that proper mechanisms are in place to uphold all standards in public life.

Catherine West (Hornsey and Wood Green) (Lab): I give the Minister another opportunity: will there be another ethics lead appointed by this Government?

Michael Ellis: I think we have said that arrangements will be put in place. [HON. MEMBERS: "When?"] In due course.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Quite frankly, this stinks. The Minister does us all a disservice today, because standards in public life do matter, despite what anyone on the Government Benches might say. People need to be sure that the people who make decisions and work in organisations that work on their behalf can be trusted, and we no longer have an independent ethics adviser since he resigned. Does the Minister not believe that it is urgent that a new ethics adviser is found and put in place, because otherwise how can anyone trust this Government to uphold standards and investigate breaches effectively?

Michael Ellis: I have already said that the matter is being given the closest attention by the Prime Minister and by Downing Street. We do focus on standards in public life, as we do, as I have adumbrated before, in the list of matters that are available to those who seek to make complaints and wish to make complaints. In the interim period, people can make complaints to their permanent secretary, or the permanent secretary of the relevant Department, and that appears to be what happened in this case in 2019.

Andy Slaughter (Hammersmith) (Lab): The Minister has stated that the Prime Minister's current defence in this matter is, "I was told but I forgot." The Minister mentioned his time in practice. If a client had produced that defence, what advice would he have given him, and would he have put him in the witness box?

Michael Ellis: If anyone should go into the witness box, it is those on the Labour Front Bench. The hon. Gentleman seeks to challenge this party, but it is this party that delivers what the people of this country want. It is this party that secured the largest majority since the 1980s at the last general election, and it is this Prime Minister who will go on to fight the next general election. It is about policies, not personalities, and the hon. Gentleman wishes to make political points out of a serious allegation.

Charlotte Nichols (Warrington North) (Lab): Around one in three women and one in seven men are survivors of sexual violence. Many of them will work on the parliamentary estate, and whether we know it or not, they may be sitting in this very Chamber right now. What assurances can the Paymaster General give those survivors here and across the country that Parliament is a safe place to work and this Government are fit to govern, given the gaslighting that we have been subjected to today from the Dispatch Box, and the fact that Cabinet Ministers, including the Justice Secretary, are happy to go on national television and obfuscate and

[Charlotte Nichols]

minimise the severity of allegations of this nature for as long as the alleged perpetrators are sufficiently loyal to the Prime Minister?

Michael Ellis: Obviously no one has, from this Dispatch Box or anywhere else, done what the hon. Lady alleges. The fact of the matter is that not everyone who disagrees with the hon. Lady is being dishonest. She needs to recognise that there is a version of events that every individual has. She wishes to make political points and claim that there is dishonesty involved. There is a difference of recollections in some cases—a difference of circumstances. That does not mean that the party that disagrees with her is dishonest.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): Over the past week, we have heard the Prime Minister talk about no allegations, no specific allegations and no serious specific allegations. The response is changing on an almost daily basis and we now know that none of those responses was true, and were ever-changing smoke and mirrors. Why do this PM and Government have such a problem with truth and honesty?

Michael Ellis: This Government do not have the problem that the hon. Gentleman particularises. In fact, it is the Labour party that needs to look to its own soul when it takes the sanctimonious position that it has done. I am sorry to say that there are examples in the Labour party and it takes a high moral tone that I do not think is fitting.

Rachael Maskell (York Central) (Lab/Co-op): The Minister may enjoy being pedantic in defending the Prime Minister, but the cover-up he is defending has resulted in reports of sexual assault. Today we are witnessing the Minister obfuscating and misusing his power. Is it not time that withholding information about misconduct, including sexual assault, results in immediate suspension of those individuals and that this misuse of power and safeguarding is brought into sharp focus and immediately handed over for independent investigation?

Michael Ellis: Disagreeing with the hon. Lady is not dishonest. The fact of the matter is that she simply seeks to make political points, and the reality of the matter is that they will not work and they should not work, because this matter is too important for that.

Points of Order

1.25 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. The Minister has said repeatedly that there is an investigation ongoing. He has absolutely no means of knowing that, because the ICGS process is entirely confidential, and indeed it is important that it is kept confidential. Even the fact that there is an investigation is confidential. I hope that you can confirm that, Mr Speaker, because it is so important to the victims, in particular.

Mr Speaker: I can concur that that is correct. It is on the record and it is there for others to note when we have further debates so that they take it into account.

Catherine West (Hornsey and Wood Green) (Lab): On a point of order, Mr Speaker. Once again, it returns to the question of not getting answers. I would be very grateful for your guidance on how we as Members can secure satisfactory answers. On two occasions now, I have tabled written questions relating to the Department of Health's links with the Beijing Genomics Institute, following its failure to answer properly a question tabled by my predecessor as shadow Asia Minister, my hon. Friend the Member for Aberavon (Stephen Kinnock). My first question, tabled on 13 January, was ignored until the House rose for Prorogation on 28 April. I subsequently tabled a follow-up on 18 May, and to date I have only received a holding response. These are vitally important questions relating to our national security and this is not good enough. Will you please advise, Mr Speaker, on how the Government should answer these questions?

Mr Speaker: I thank the hon. Member for giving me notice of the point of order. Of course, I am hoping that Ministers will have heard it. It is certainly on the record. The hon. Member might also consider raising it with the Procedure Committee, which monitors the performance of Government in answering questions. I say quite clearly to the Government that they have a duty to answer all Members of Parliament, whichever side of the House they come from. They should be diligent in making sure that questions are answered as promptly as possible.

Clive Efford (Eltham) (Lab): On a point of order, Mr Speaker. I am concerned that the House may have been misled inadvertently, at least by omission. The Paymaster General asserted that the Prime Minister did not recall that he had been advised by a civil servant about the previous issues regarding the right hon. Member for Tamworth (Christopher Pincher) because he forgot, but my understanding is that meetings with civil servants are a matter of record, and his private office would have investigated that. So how do we get redress, because surely it was investigated? What was in that record and who told who about it?

Mr Speaker: I am not going to continue the debate; we have got through it. The hon. Member has certainly put his point on the record, and, knowing him, I do not think he will leave it at that; I am sure he will tickle out further answers we go on.

Mr Peter Bone (Wellingborough) (Con): On a point of order, Mr Speaker. Could you give guidance to the House? The Opposition are apparently very cross with the Government at the moment. Is there any reason why the Opposition cannot move a vote of no confidence in the Government?

Mr Speaker: You know the answer; that is why you asked the question. I do not think it was just about one side. You were there, and you put up a good defence, but I think you are a lone batter today.

Kinship Care

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

1.29 pm

Munira Wilson (Twickenham) (LD): I beg to move,

That leave be given to bring in a Bill to provide for a statutory definition of kinship care; to make provision about allowances and parental leave for kinship carers who take on responsibility for children whose parents are unable to care for them; to make provision about education in relation to children who are looked after by a kinship carer; and for connected purposes.

April—not her real name—is a constituent of mine. When her sister, who had bladder cancer, died, she left behind five children, all boys. The youngest was aged just five. His birth father was estranged and his stepfather had left the family when his mum got the terminal cancer diagnosis, leaving April's nephew traumatised and with developmental delays. Shortly before April's sister passed away, she asked April and her partner if they would look after her youngest son. Of course, they said yes. They would do anything to protect him. Before social services got involved, she and her partner welcomed in a new member of their family, but this decision came at a huge financial and personal cost.

April was already contending with illness and disability in her family. She needed financial and practical support for her nephew, so she asked the council to pay for his therapy. The council officer said, "You did the right thing in taking in the child before you were asked to. This is the best place for your nephew to be, and you've saved us a lot of time and money. But this is a private family arrangement, so we have no legal duty to help you. There's nothing we can do." Had April not stepped up to look after her nephew, he would have ended up in local authority care. She has saved the taxpayer tens of thousands of pounds a year and likely ensured a more positive outlook for him. Yet because she did the right thing, she gets nothing in return for his living costs or to manage his mental ill health.

April is not the only one. Every year, thousands of grandparents, aunts, uncles, siblings and family friends step up to support a child whose parents are not able to care for them. Several kinship carers are watching in the Gallery today. They turn their lives upside down to provide children with a loving, stable home. For most of them, welcoming in a child is not a choice they make, but an instinctive reaction out of love to a dramatic, often overnight change in circumstances: a death in the family, domestic abuse or a similar situation. As the hon. Member for Denton and Reddish (Andrew Gwynne)—a kinship carer himself—described it to the all-party parliamentary group on kinship care, which he chairs, it is the "social services stork" that turns up unannounced at the door one night asking someone to take a child in.

Kinship carers do this even though their own financial situation may be unstable. Around half of kinship carers are grandparents, relying on their hard-earned pension savings. One in three kinship carers is non-white. Yet the benefits to children of living with friends and relatives they already know are immense. Compared with care leavers, they are more likely to have better mental health, to have better exam results and to hold down a job. It is why in Australia kinship care is the preferred option when a child cannot be looked after at home by their birth parents.

[Munira Wilson]

Kinship care is the Cinderella service of our children's social care system—too often ignored. The Government have created a system full of unfairness and uncertainty, leaving some of the most vulnerable families without help. For carers such as Kim, another constituent of mine, who has a special guardianship order, the council has a duty to assess her financial needs. However, unlike for foster carers, any financial support is means-tested, discretionary and reviewed regularly. She told me:

“At the last review, we were told that we didn't qualify for an allowance, even though our costs had increased and my income had reduced due to the pandemic. I challenged this and we now receive about half of what we used to get. It is a help, but it does not cover all the extra costs we need to find.”

However, others, such as April, are not legally entitled to anything. A survey published last week by the charity Kinship found that just 6% of kinship carers with an informal arrangement receive help. Those carers who do receive allowances are paid on average £40 a week less than the national minimum allowance for foster carers. That is bad enough, but the Government's failure to tackle the cost of living crisis is only making the situation harder. Kinship's survey this year found that 44% of kinship carers could not pay all their household bills. More than a quarter could not afford food for their families.

April's partner, who was training to be a police officer, was told by the council that he should give up work. Studies show that between 30% and 40% of carers leave employment completely after taking on a child. Kinship carers do not get the same rights to employment leave as adoptive parents do. They must rely on the goodwill of their employers.

The unfairness is also reflected in our education system. If a child in kinship care was previously looked after by the council, their school receives pupil premium plus funding, but if a relative takes in a child to prevent them from becoming looked after in the first place, the school loses out. The relative's generosity in stepping up at the earliest opportunity is punished by the state.

I fervently believe that every child should get the best start in life. The Bill I am introducing today includes four proposals to ensure that kinship carers get the financial and practical support their children need. First, all kinship carers should receive weekly payments equal to the national minimum weekly allowance that foster carers receive. Secondly, kinship carers should be entitled to paid employment leave when a child starts living with them, just as happens when a family adopts a child. Thirdly, children in kinship care should have the same support as looked-after children in our education system, such as pupil premium plus, virtual school heads and priority in the admissions process. Finally, those things should be underpinned by a statutory definition of kinship care that will act as a gateway for carers to access the rights I have just mentioned.

I am grateful to the Family Rights Group and to Kinship for their help with this Bill and their long-standing campaigns on these proposals. Voices from all sides of this House have recognised that the current situation is unsustainable. The Government's own “Independent review of children's social care” has called for change. We on the Liberal Democrat Benches will stand up for all carers in this country of all kinds. My right hon. Friend the Member for Kingston and Surbiton (Ed Davey) has spoken movingly in the past of his “amazing nana and granddad” who took him in after his mother passed away. We speak from the heart when we say that we want to be the voice of carers in this place.

I am glad to see the Under-Secretary of State for Education, the hon. Member for Colchester (Will Quince), in his place. When I raised the issue of kinship carer allowances with him in the Chamber in May, he told me that

“it can be advantageous...to invest in that family member to avoid the child going into care”.—[*Official Report*, 23 May 2022; Vol. 715, c. 42.]

I completely agree with him, but I know that his colleagues in the Treasury will be concerned about costs or providing a sufficiently watertight definition of who is a kinship carer. However, neither of these problems is insurmountable. On average, it costs about £72,500 a year to put a child in local authority care. If we provided every child in kinship care with a social worker and a weekly allowance, it would cost the taxpayer just over half that. We know that there are systems already in place in the Department for Work and Pensions to recognise kinship carers for the purposes of the two-child benefit cap.

For most kinship carers, welcoming in a child is an unexpected, life-changing decision, but one they would make again in a heartbeat. Ian, a constituent of my hon. Friend the Member for Oxford West and Abingdon (Layla Moran), said:

“Having my granddaughter in the house gave us a new lease of life. It's great, we love it.”

However, he also recognised how much harder it would be for those in much more difficult circumstances. Surely we owe it to these children who have been through so much, and these carers who have sacrificed so much and have saved the taxpayer so much, to give them the financial and practical support they deserve and need to flourish. Let us step up for kinship carers and support every child to get a better start in life, no matter their background.

Question put and agreed to.

Ordered,

That Munira Wilson, Ed Davey, Robert Halfon, Stella Creasy, Tim Loughton, Sarah Olney, Layla Moran, Mrs Emma Lewell-Buck, Helen Morgan and Richard Foord present the Bill.

Munira Wilson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 March 2023, and to be printed (Bill 134).

Estimates Day

[1ST ALLOTTED DAY]

DEPARTMENT FOR WORK AND PENSIONS

Cost of Living

[Relevant documents: Oral evidence taken before the Treasury Committee on 31 January, 6 June and 8 June, on The cost of living, HC 343; Oral evidence taken before the Work and Pensions Committee on 29 June, on The cost of living and The work of the Secretary of State for Work and Pensions, HC 549.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2023, for expenditure by the Department for Work and Pensions:

(1) further resources, not exceeding £70,686,826,000, be authorised for use for current purposes as set out in HC 396 of Session 2022–23,

(2) further resources, not exceeding £590,758,000, be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £71,733,460,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Miss Dines.*)

1.40 pm

Sir Stephen Timms (East Ham) (Lab): I am grateful that we have been granted this debate to discuss the spending of the Department for Work and Pensions. We are all familiar with the facts of the cost of living crisis: price rises are accelerating and inflation in May was the highest since 1982—the highest for 40 years—at 9.1%. In France, inflation was 5.8% and in the eurozone, it was 8.1% on average, so we have a particularly acute problem in the UK. The Bank of England Monetary Policy Committee said last month that it expects inflation to rise to slightly above 11% in October.

In the light of those rapidly increasing costs, the Chancellor announced measures to support households in February, March and May. I warmly welcome that support, which is valued at £37 billion. Two of the support measures that he announced are funded by the DWP and are therefore a focus of this debate: first, the £650 payment for households receiving means-tested benefits, and secondly, the £150 payment for people receiving disability benefits.

I understand that the DWP will pay the first £326 instalment of the £650 payment in the second half of this month. The qualifying day for that—the day on which someone had to have been claiming means-tested benefits—was 25 May. The qualifying day for the second instalment has not yet been announced, but I gather that it will be no later than 31 October. Those payments will be tax free and will not affect other benefit awards. I particularly welcome the fact that, as the Secretary of State confirmed to me in the debate on the recent legislation to enable the payments, they will not be constrained by the benefit cap.

The other measures that the Chancellor announced in May, which are not legislated for by the Social Security (Additional Payments) Act 2022, include two extensions of existing programmes for which DWP is responsible. First, pensioner households will receive a one-off £300 pensioner cost of living payment as a top-up to their winter fuel payment, which will cost in

total £2.5 billion. Secondly, there will be an additional £500 million for the household support fund for local authorities to make discretionary payments to people in need—some £421 million for England and £79 million for the devolved Administrations through the Barnett formula. That will cover the period from October this year to March next year.

The household support fund was originally announced in September 2021 with £500 million for local authorities for the six months from October 2021 to March 2022. It was extended with another £500 million for the following six months from April to September this year. I will say more about that later as a relatively new feature of the estimates.

It is worth pausing to reflect on the fact that, although the Chancellor's announcements are welcome, there are still some concerns. The Resolution Foundation estimates that the

“measures announced this year to support households will in effect offset 82 per cent of the rise in households' energy costs in 2022–23, rising to over 90 per cent for poorer households.”

It is a substantial response to a substantial problem. The Treasury says that households with incomes among the lowest 10% of all households in England will gain just under £1,200 a year on average as a result of the package, while those among the top 10% will gain around £700 a year on average—significantly less. That strikes me as a broadly appropriate distributional impact.

There are some caveats—for example, the payments are per household. As Save the Children and others have pointed out, larger families will not get any more support than smaller ones, even though children in larger families are at much greater risk of being in poverty. Nearly half—47%—of all UK children in a family with three or more children were in poverty in 2020, so that has a big impact.

The Joseph Rowntree Foundation made the point that:

“One key group who has lost out are unpaid carers”.

We have just debated kinship carers. Only 59% of the 1 million people who claim carer's allowance also claim means-tested benefits, so the other 41% will not get any additional support through the package. I applaud the Welsh Government's initiative to provide an additional £500 payment for carers in Wales, and I think consideration should be given to comparable additional support elsewhere in the UK.

People waiting to be assessed for a personal independence payment cannot access the £150 payment. People wait on average five months to be assessed and receive a decision, and some 300,000 people are waiting at the moment. We might think that they ought to be getting some help, but they will not. People waiting for a work capability assessment will not get the payment either. The backlog for work capability assessments for universal credit is not published, so we do not know the size of it, but we know that there is one.

In April, as we all know, inflation-linked benefits were increased by 3.1% in line with the increase in the consumer prices index last September. When the uprating took effect, however, inflation was already over 7% and, as we have been reminded, it is now expected to rise to 11% this year. The Secretary of State previously told the Work and Pensions Committee that she does not favour one-off payments of the kind that the Chancellor

[Sir Stephen Timms]

announced in May. She is right: welcome though the Chancellor's announcements are, I agree that it would be far better to have an uprating system that works properly, rather than having to resort to these stopgap measures to deal with the emergency.

Universal credit can be updated quickly, as we saw when lockdown hit, but the legacy benefits cannot be. The permanent secretary told the Select Committee last week that the problem is that uprating programs can only be run at weekends, when the computer systems are not doing other jobs, and that is apparently why it takes such a long time to implement the uprating of the legacy benefits. We have already called for those older systems to be improved urgently, and for the gap between assessing inflation and uprating benefits to be reduced. The need for that to happen is now even clearer, given the problems that we have run into this year.

The crisis is also exposing a much bigger and longer-term problem, which is the continued failure to keep the level of benefits in line with inflation. That is a consequence of successive policy decisions over the last 12 years. The chief executive of the Resolution Foundation said yesterday that the headline rate of benefit for someone who is unemployed is now 13% of average earnings, and that that is the lowest level it has ever been. That is lower, I think, than when Lloyd George introduced unemployment benefit for the first time in 1911.

Nobody should be surprised that so many are having such a hard time; there is no resilience in the support that is being provided, because the level is now so low. We have asked Ministers to explain the reason or thinking behind setting the benefits so low, and all we have been told is, "Well, we uprated it that year, we did not uprate it that year, and this is where we've ended up." There is no rationale for the situation that we have found ourselves in where, in real terms, the level of benefits is at its lowest for more than 30 years.

Citizens Advice North Lancashire, one of the organisations that contacted the Select Committee, told us that

"one-off payments are not a solution to inadequate benefit levels."

It is right about that. It went on:

"Our detailed research...on Universal Credit from across Lancashire...shows that Universal Credit is not enough to live on in Lancashire. Benefit payments urgently need uprating so that people who cannot work can afford to live off them."

The Select Committee has agreed to look at the longer-term issue of benefit levels in an inquiry in the coming months, and we will be considering these issues carefully.

I want to comment today on two specific features of these estimates. The first is the household support fund. As I have said, the Chancellor's package included an additional £500 million for the household support fund, bringing the total amount in that fund to £1.5 billion since October 2021. It is administered by local councils in England, and each council sets its own eligibility criteria.

The grant conditions set by the Government are, frankly, pretty vague. They specify that assistance can be issued by the authority itself or through a third party. One third of the grant is to support households that include a child, another third is to support households that include somebody of state pension age and the

balance is for everybody else. It is for support with food, energy and other essential living needs. In a so-called exceptional circumstance, the household support fund can be used to support housing costs.

Local authorities have to submit a statement of grant usage to the Department with plans of how they are going to spend the money, and they are supposed to maintain an adequate audit trail for how they do in fact spend it. We asked the Secretary of State about that at the Select Committee last week, and she told us that local authorities have to make two returns a year to the Department about what happens to that money. I think that information is supposed to be published, but as far as I can see, no information has been published about how the household support fund has been used. The truth is that we know very little about what has happened to that £1.5 billion.

One thing that money could be used for is supporting families with no recourse to public funds, some of whom have been in a desperate situation in the last two years. When asked if the household support fund can be used for that, given that it is a public fund, Ministers—absurdly—say that local authorities should take their own legal advice to find out. At the very least, there must surely be clarity about what councils are allowed to do with this funding.

It may well be that the household support fund is playing a valuable role—I imagine it very likely is—but we just do not know, and we should. If there is to be continued use of discretionary funds such as this, instead of uprating benefits properly, the Department must at least work with councils and develop a clear reporting framework for the household support fund to provide assurance that it is being used effectively and that the support is getting to where it is most needed, because at the moment we just do not know. It would be far better to have an effective and reliable system for uprating the level of social security benefits, so that we do not have to resort to these stopgap measures in situations such as the one we are in at the moment.

The second point I want to pick out is about the benefit cap. The cap has not been changed since 2016, and in 2016 it was lowered. It continues to limit overall annual benefit support for a family to £23,000 in London and £20,000 across the rest of the UK, with comparable figures for a single person of £15,410 and £13,410 respectively. The new cost of living payments will not be constrained by the benefit cap, and I warmly welcome that. I think this sets an important and welcome precedent. It recognises that families up against the cap—and there are over 100,000 of them at the moment—are seeing their costs rising like everybody else.

Given the uprating expected next April, based on the rate of inflation expected in September, the Child Poverty Action Group has estimated that

"an additional 35,000 households will become capped overnight, resulting in a total of around 150,000 households capped in April 2023".

The North East Child Poverty Commission also contacted the Select Committee, and it told us:

"The benefit cap impacts a relatively small number of households in the North East (fewer than 5,000)...almost all...are families with children...but they are being prevented by the cap from receiving all the support they have been assessed as needing. We urge the Government

to lift the benefit cap.” The Government have a statutory duty to review the level of the benefit cap every five years. Until March this year, the obligation was to review it in every Parliament. The last published review of the benefit cap was in 2014, which was eight years ago. The cap was lowered in 2016. The Secretary of State, when we asked her about this last week, could not tell us when it was last reviewed. If it has been reviewed within the last five years, the review certainly has not been published, despite promises to the Select Committee that it would be—and of course it should be. The Government should be open about their thinking in this area.

When the benefit cap was introduced in 2013—my hon. Friend the Member for Westminster North (Ms Buck), who is on the Front Bench, and I were in the Committee that debated this before it took effect—the income threshold was set at median full-time earnings, which at that time was £26,000 a year. Since then, it has been reduced, and of course median full-time earnings are very different now from what they were in 2013 anyway. The level of the cap now bears no relation at all to any particular earnings level.

I warmly welcome that the cap will not apply to the additional payments announced by the Chancellor. That is an important precedent, recognising that families at the benefit cap will be hard hit too. However, with inflation at over 10%, it is imperative that the cap is reviewed ahead of next April’s uprating. It needs at least to reflect average household incomes, as it initially did—it needs to bear some relation to them, surely—and take account of increasing rent, energy and food costs. I urge the Minister to be open with the public and to publish the outcome of that review. The Chancellor’s package means relief from the benefit cap for tens of thousands of families this year, but next year the cap will be back and presumably there will not be any further additional payments from the Chancellor. The level of the cap must be raised before next April because if it is not, the consequences will be dire.

I am very grateful for this opportunity to debate the very important estimates that the Government have provided for us. They make such a big impact on millions of our fellow citizens, and it is vital that such decisions about them are the right ones.

1.58 pm

Chris Stephens (Glasgow South West) (SNP): It is a pleasure to follow my good friend, the Chair of the Work and Pensions Committee, the right hon. Member for East Ham (Sir Stephen Timms), and it is a pleasure to be a member of that Committee in holding the Government to account. I of course refer to my entry in the Register of Members’ Financial Interests, particularly my role as chair of the PCS parliamentary group, as I will have some things to say about the office closures issue.

I want to start with the Secretary of State’s appearance at the Work and Pensions Committee last week, when she said that, on Thursday, she was going to meet her officials to discuss a second remedial order on bereavement support benefits for cohabiting couples. This is a very important issue, and we have had many great campaigners, including my Glasgow South West constituent Ailsa MacKenzie, who has been in the vanguard of pushing

this issue. I hope the Minister will update the House on that issue, because it affects many thousands of people. The quicker we get the remedial order laid down, the quicker people can start receiving those bereavement support payments, which will no doubt help them deal with the cost of living crisis.

Let me touch on what I think lies at the heart of the problems in the Department for Work and Pensions: the start of the claim, the five-week wait and the deductions that come with that. The Minister responded to a written question from me, and the figures are becoming increasingly alarming. Ever since, I have periodically tabled such questions, and the number of deductions and the amount deducted have increased over the past 18 months. A total of £11 million a month is now being taken off claimants as a result of deductions. In my view, that has become a poverty tax.

For example, figures show that in February this year, 189,000 households in Scotland—an increase of 9,000 in just three months—had an average of £60 deducted from their social security payments. That is mainly to pay back the loans issued by the Department to cover the five-week wait at the beginning of a new claim, but some of it is due to overpayments, which include the Department’s errors. I hope the Department will look at that issue, because there is already case law when it comes to pay. By law, if there has been a mistake and someone has been overpaid, the employer cannot take that back. I suggest that if the Department has made a genuine error, it should not be deducting payments from future claims. I hope the Government will look at that, because a number of organisations have said that a deduction should not be made if the Department for Work and Pensions is to blame.

Kirsty Blackman (Aberdeen North) (SNP): Does my hon. Friend share my concern about the lack of reassurance regarding top-up payments, as announced by the Chancellor last week? We may end up in the same situation, because if DWP accidentally gives that money to someone, it might try to claw it back, putting people in an even worse state of poverty than they are in already.

Chris Stephens: I share that concern, and I hope the Department will respond positively to the concerns that hon. Members, including my hon. Friend the Member for Aberdeen North (Kirsty Blackman), have raised.

On departmental error, taking £60 a month from people who require state support can be the difference between whether they can buy food or not, or whether they can heat their homes. I am sometimes a bit concerned about the phrase “heat or eat”, because some people will now not be able to do either. That is the desperate situation that far too many people face across these islands, particularly with the cost of living being so high.

On the one-off payments, the Department appears to have conceded the point that grants are better than loans. I welcome that, but I hope it will now look seriously at the report by the Work and Pensions Committee about the five-week wait and introduce a non-repayable grant—a starter payment, as we call it—within two weeks of the claim. That would stop people getting into debt as a result of deductions, and I suggest that it would save money on administration, compared with paying people after five weeks and then deducting £60 a

[Chris Stephens]

month from them. It seems a false economy to insist on continuing the five-week wait, and then going back and deducting money from people's claims.

A good friend of mine, Andrew Forsey, director of the charity Feeding Britain, which is involved with Threehills community supermarket in Glasgow South West, recently said:

"Last year, figures like these prompted the DWP to lower the cap on deductions and double the length of time people had to repay those upfront loans. What these latest figures show is that there remains a lot more work to be done, to bring these deductions down still further, if people are to have the money they need each month to put food on the table."

The Chair of the Work and Pensions Committee mentioned no recourse to public funds, and I agree with what he said. I hope the Department will look seriously, once again, at the Committee's report that recommends extending child benefit to all children, irrespective of their parents' immigration status. The right hon. Gentleman laid that out well, and, as someone who represents a city that has signed up to the Home Office's asylum seeker dispersal scheme, I know this is a very real issue. In areas where asylum seekers have become refugees, it was certainly an issue during covid. I hope the Department will go back and look at that.

We need more resources to go into ensuring that those who are entitled to pension credit receive it. It is reckoned that between 65% and 70% of people who are entitled to pension credit receive it. I would like the Department to do more work on that, and I would like more resources to go into working with pensioners' groups and various third-sector organisations to ensure that those who are entitled to pension credit get it. It seems to be a very real issue, and some of the statistics from the independent charity Age UK about the amount of unpaid claims for pension credit suggest that the figure is far too high; it is in the millions. Frankly, that pension credit could do a lot of good for pensioners who are dealing with increasing food and fuel costs.

Finally, let me raise my concern about office closures by the Department for Work and Pensions; I know that you also have a constituency interest in this subject, Madam Deputy Speaker. We have Government offices in areas of high economic deprivation, and the Department is one of the largest employers in some constituencies, but it wants to close those offices. That will not just impact on people employed by the Department, although of course it will do that, but have a wider effect on the economy. Many small businesses round and about those offices rely on custom from people who work in the Department, and I refer the Minister to my hon. Friend the Member for Glasgow North East (Anne McLaughlin), who has done a survey on this issue in relation to the proposed closure of the Springburn office.

The Department seems to want to take out far too many of the 91,000 jobs that the Government want to cut. The Department responsible for employment and helping people get into work really should not be laying off its own workers and throwing people into unemployment; that would send completely the wrong message and make no sense whatsoever. I will leave it there, Madam Deputy Speaker, and I hope—indeed, I am sure—that I will get a positive response from the Minister to all the points I have raised.

2.8 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): It is a pleasure to follow the hon. Member for Glasgow South West (Chris Stephens), and I agree with all the points he made, as I did with those raised by the Chair of the Work and Pensions Committee, my right hon. Friend the Member for East Ham (Sir Stephen Timms). I want to focus on a few key things and pick up on the point that my right hon. Friend made about the context of the revised estimates for the Department for Work and Pensions.

We need to recognise—many Opposition Members certainly do—that the cuts associated with the two major reforms to the social security system in the last 12 years have shrunk the contributions that are being made, particularly to working-age people. We know from the Resolution Foundation's work that by 2022, the spending cuts in the Department for Work and Pensions had reduced support to working-age people by up to 17%, compared with 2010. That is the equivalent of £33 billion.

We know from the data that by 2018, UK social security spending as a percentage of GDP was below both the EU27 and OECD averages. I think my right hon. Friend mentioned that out-of-work support in 1948 was about 25% of average earnings; it is currently less than half that. Even during the pandemic, with the £20-a-week uplift to universal credit, our support was the least generous in the OECD. We like to think that we are a generous country that looks after those who need support, but our support has been the least generous, and that shames us all. The amount of support available to somebody who is out of work is only slightly more than what is recognised as destitution.

In other analysis, the Institute for Fiscal Studies has confirmed that social security and tax changes mean that the poorest 10% of households have lost 11% of their income, equivalent to £1,200 a year. For families with children, it is even worse, with a 20% loss of income amounting to £4,000 a year. The Equality and Human Rights Commission confirmed the IFS's analysis and exposed the impact of the reforms and cuts on disabled people. For households with at least one disabled adult and a disabled child, average annual cash losses since 2010 are just over £6,500, which is more than 13% of average net income. Disabled lone parents with at least one disabled child have fared even worse, losing almost £3 out of every £10 of income. In cash terms, their average losses are almost £10,000 a year.

The all-party parliamentary group on health in all policies, which I chair, looked at the impact of the Welfare Reform and Work Act 2016 on children and disabled people and found strong evidence of an association with poverty, inequality, homelessness, food security, poor health and premature death directly as a consequence of those welfare reforms and cuts.

David Linden (Glasgow East) (SNP): The hon. Lady hits the nail on the head. She has rightly put the scale of the cuts into context, and there is a point for the Government to reflect on here. They will think, after making cuts, "Well, that's no longer a problem for DWP," but in many respects local authorities such as Glasgow City Council have to pick up the burden of the resulting destitution. My local social work office in

Easterhouse has to deal with the homelessness, the debt, and all the other issues that ensue from Government policies.

Debbie Abrahams: I recognise what the hon. Member says. I visited Glasgow last week—the constituency of my friend the hon. Member for Glasgow South West is there—and it was interesting to see the reforms being introduced there, particularly those for disabled people.

Many hon. Members will not be aware of yesterday's report from Deaths by Welfare, which provided even more evidence of the impact of the so-called reforms on premature deaths and suicides. It had a timeline that showed when there had been reforms and further cuts, and what they meant in terms of deaths of vulnerable social security claimants. Another recent report shows a detrimental impact on social cohesion. The University of Newcastle quantified that, between 2013 and 2015, for every £100 lost in income per working age adult, motivated hate crimes increased by about 6%. The effects are much wider than the Government recognise.

My second point is about the pandemic. We know that people on the lowest incomes, and particularly those reliant on social security support, were disproportionately and negatively affected by covid. They were more likely to be exposed to the virus and to be infected, and they were more likely to be seriously ill and die. Within that group are disabled people. After adjusting for a range of factors including health, the Office for National Statistics has estimated that disabled people were between 1.3 and 1.6 times more at risk of death from covid. The reasons for those disproportionate deaths must be investigated in the covid public inquiry, but given the context that I have just described—the inadequacy of our social security system—the contribution of the cuts in social security support cannot be ignored.

On the cost of living package and its impact on the DWP spending estimates, of course I welcome the package, but I have just spent the past few minutes describing the context and, much though the Government congratulate themselves on what they are doing, it just about scratches the surface of the cuts that they have made. I must, as others have done, highlight some of the gaps in the package. As support is on a household basis, larger families will not get the same support as smaller families. As the Resolution Foundation suggested, in the light of inflation, a 9.5% uplift to all social security support would have been more progressive than the 3.1% awarded at the beginning of the year, and would have taken us beyond the Chancellor's stop-start, ad hoc approach.

My concern is that the cost of living will not just be an issue this year; it will carry on—and what will the Government do then? We need principles that ensure that all social security support is uplifted to account for inflation.

As my friend the hon. Member for Glasgow South West mentioned, there are huge issues with deductions. We asked the Secretary of State about that last week. The Joseph Rowntree Foundation, StepChange and many other charities have pointed out that 4.6 million households are in arrears on at least one bill, so what is handed out with one hand will be clawed back by another. I join those charities and hon. Members in their calls to reduce the amount that can be deducted from the universal credit standard allowance; it is now

25%. I would like it to be less than 15%. When the deductions are for debts to Government—figures indicate that the Government are the largest debt collector—it would only be reasonable to reduce it to 5%.

My final point is that given the cuts in spending and the culture in the Department, our social security system does not provide the safety net that everybody thinks it does. I really like the approach being introduced in Scotland, which is not about people proving that they are entitled to support; there is trust. We should try to make that the basis of the culture in England as well.

Chris Stephens: I thank the hon. Lady, my good friend, for giving way. She mentions culture; there is also the issue that sanctions are part of that culture. It had seemed that we were persuading the Government to introduce a system in which there were warnings before sanctions, but they seem to have rowed back on that. Does that not add to the concern that she rightly raised about the culture?

Debbie Abrahams: We have spoken many times about that. My hon. Friend is absolutely right. We have a system in which there is conditionality, but I believe that there are other ways of recognising that than by taking away somebody's income and making things even harder for them.

Christian Matheson (City of Chester) (Lab): My hon. Friend is absolutely right, as is my friend the hon. Member for Glasgow South West (Chris Stephens). One of my constituents immediately comes to mind: he has been sanctioned for two and a half years, with multiple sanctions building up. It is abundantly clear to me, and to anyone who looks, that the sanctions regime simply does not work, and that other methods should be tried. Does my hon. Friend agree that the system is frankly inhuman, demeaning and completely unimaginative?

Debbie Abrahams: Absolutely. In fact, I got involved in trying to shift the sanctions regime when a former soldier, David Clapson, died after he was sanctioned. He missed an appointment, and he died as a result of not being able to have electricity to keep the insulin that he relied on. It is absolutely inhuman.

The cost of living support announced will no doubt help people, as it should, but we need to do far more. The system is not fit for purpose, and needs root-and-branch reform. It needs to be dragged into the 21st century. There is a lot we can learn from the Scottish system. I have said this for a while: for me, the system should, like the NHS, be there for every single one of us in our time of need. It is not, and that must change.

2.22 pm

Wendy Chamberlain (North East Fife) (LD): I thank the right hon. Member for East Ham (Sir Stephen Timms) and the Backbench Business Committee for granting this estimates day debate on DWP spending on cost of living measures. It is an important topic for every MP in this place, because DWP matters make up a proportion of our constituency casework, and people come to us at a time of need.

The real elephant in the room is this: the Government talk about spending to help people deal with the cost of living crisis, but we have to acknowledge that they have

[Wendy Chamberlain]

put some people into the positions in which they find themselves. It is all well and good providing a £650 payment to those on benefits and £300 to pensioners—I welcome that—but many of those receiving those payments have been pushed into crisis as a result of Government policies that have pulled the rug out from under them.

The Government refused to uplift legacy benefits alongside universal credit in the response to the pandemic, as the right hon. Member for East Ham pointed out. The Government told us that it was too complex to do, but given that they seem to have given it very limited consideration, we conclude that that is a political decision. We know that it affected disabled people the most because the High Court said so. Of course, disabled people and the organisations who support them did not need to be told that. They knew that disabled people were disproportionately more likely to be shielding, and as a result relying on expensive services, such as food deliveries.

The reality is that it is generally more expensive to be disabled. When I think about the cost of living crisis and, in particular, the rise in energy costs, I think about disabled people in my constituency and elsewhere who are running electrical equipment, and who need to have the heating on at times of the day when people who do not have a disability and who are mobile do not. As a result, this crisis is hitting them more acutely than others.

Kirsty Blackman: On the additional costs faced by disabled people, does the hon. Lady share my concern about the additional costs associated with specialist diets? For those with a gluten-free diet, for example, prices have increased significantly in excess of inflation.

Wendy Chamberlain: Yes, I entirely agree. I recommend to anybody who has not read it last Sunday's article in *The Sunday Times* about food banks. The journalist took the time to eat a diet of what is provided in the emergency packages. It is not particularly healthy, but it is food, and I am hugely grateful that it is there. I co-chair the all-party parliamentary group on ending the need for food banks, and I am hugely grateful for the work that food banks do, but trying to meet specialist needs and requirements is very difficult for a charity run by volunteers. We should ensure that people have what they need to meet their medical requirements.

I am sure that many Members will refer to this, but the refusal to keep the universal credit uplift has taken away £20 a week from people who were already struggling. No taper, and no additional grants, will make up for that. When the Chancellor introduced the uplift, he said it was to reinforce the safety net. To some extent, that worked. In research by the Trussell Trust, the secretariat for the APPG, 70% of people said the increase in universal credit made it easier for them to afford essentials. Very quickly—this is my last point on the APPG—our call for evidence on the different responses to the need for food closes on 8 July, so if anybody would like to contribute evidence, we would love to hear from them.

The decision to remove the universal credit uplift at the end of lockdown restrictions, when the economy reopened and there was an expectation that people could take on more work, revealed the Government's true thinking. It was an implicit acknowledgement that

it is impossible to live on the current rate of universal credit, and that that would become abundantly clear to voters who started claiming benefits for the first time during the pandemic. The Government's taking away the uplift clearly shows that they think that poverty payments are acceptable for those who rely on universal credit in the long term, either because they do low-paid but vital work such as caring, or because they cannot work full time for any other reason—there are many other reasons, as we all know from our case loads. I would like to know why the Government think that a reinforced safety net is needed for some people in our society, but not others.

I want to mention, as others have, unpaid carers, who are another left-behind group. Carer's allowance is £69.70 per week. We do not accept jobs that pay less than £2 per hour, so why do we think it is acceptable to ask unpaid carers to accept that? Earlier, when my hon. Friend the Member for Twickenham (Munira Wilson) spoke in support of her ten-minute rule Bill on kinship care, she talked about the instinct to want to help a family member in need. No matter how much we love our family, anyone who has ever been a carer will tell you that it is work. As a society, we rely on that good will, so we must support our unpaid carers. They are the backbone of our society. Where people can and want to work, they should be supported to do so. Members have mentioned no recourse to public funds, but the other side of the coin is that we do not allow people claiming asylum to work and contribute. We give them neither support nor the opportunity to support themselves.

With its earnings cap of £132, the carer's allowance policy seems designed to keep carers in poverty. We have been waiting for two years for a report from the Government on the effect that carer's allowance has on people's ability to work. I hope the Minister can update the House on when we will receive that report, and will explain how Members are supposed to scrutinise Government policy properly when we do not receive the reports that would enable us to scrutinise them. I am pleased that while we are waiting for the report, there are practical steps we can take to support our unpaid carers with work and into work, and with managing their caring responsibilities. I am delighted to be bringing forward a private Member's Bill this Session to give unpaid carers the right to take additional leave, which would help them to balance their caring and working commitments. It does not go as far as I would like, but I believe it would be the first stand-alone piece of legislation giving employment rights to carers. It would help millions of people. One thing that the Government have been trumpeting is the current low rates of unemployment, but they are not talking about the increasing numbers of economically inactive people. I argue that some of those will be carers who are unable to combine work with caring responsibilities. I hope that my Bill will give them the opportunity to do that, but—this is a big but—it is only part of the picture of supporting unpaid carers into work. I hope that the DWP will do other things to play its part.

I will briefly turn to two pensions issues, the first of which is a specific constituency matter. My constituent is being denied her full state pension because of a gap in her national insurance record. The gap exists because she worked in intelligence for the armed forces a number of years ago. When she became pregnant, she was

immediately discharged from the Army, but she could not return home to Scotland because of the sensitive nature of her work. The gap is purely caused by the pregnancy discrimination that she experienced at the hands of the state. She is being told that, rather than paying her the small extra amount that she would be entitled to each year, the Government would arguably rather give it to lawyers and have us go to court. I really hope that the Government can recognise that she has experienced an injustice. I urge the Minister to meet me so that we can find a way forward for my constituent, who was serving her country.

On a much broader injustice, the WASPI—Women Against State Pension Inequality Campaign—women are still waiting to receive the money that has been denied them. As time ticks by, many will die before they receive what they deserve. Do the Government want that legacy—3.8 million women left to die, with far too many of them in poverty exacerbated by the cost of living? The ombudsman might still be reaching its conclusions on compensation, but it would be a huge comfort for the WASPI women to know that the Government plan to follow its recommendations. Will the Minister join me today in pledging to follow the ombudsman's recommendations, when they are made, and to provide compensation to women who missed out because of Government error?

We could talk about lots in this estimates debate and Members have referred to other issues that I would want to raise. In conclusion, however, we are feeling the impact of the cost of living crisis more acutely in the UK. It is incumbent on the Government to stand up and help constituents, including those claiming benefits or who interact with the DWP, however they do so.

Madam Deputy Speaker (Dame Rosie Winterton): I call the Scottish National party spokesperson, Kirsty Blackman.

2.31 pm

Kirsty Blackman (Aberdeen North) (SNP): It is a pleasure to take part in this estimates day debate. I do love estimates day; it is wonderful every time that this rolls around—I am not being sarcastic, I promise.

I will talk briefly about the shortcomings of the estimates process. We are discussing the DWP estimate today—which involves spending of £240 billion—under, I think, Standing Orders 53 and 54, which were written before I was born. We are unable to table meaningful amendments in relation to £240 billion of spending because of the way in which the Standing Orders are written. That is shocking. Has anyone here ever tried to explain the Budget process to people outside the House? Have they ever tried to explain the fact that we have to stand here and discuss hundreds of billions of pounds of expenditure without any meaningful way to amend that? It is absolutely ridiculous, flawed and deeply inadequate.

The DWP's objectives in the main estimates book are, first,

“Maximising employment and in-work progression”;

secondly,

“Improving people's quality of life”;

and thirdly,

“Delivering excellent services for citizens and taxpayers”.

Those are the Department's aims for the next year. I suggest that the Government have failed and continue to fail in what they are doing. I make it clear that that is not, for a second, the fault of DWP staff, who are working incredibly hard to make the social security additional payments.

Chris Stephens: Is it not ironic that the DWP says in the main estimates book that it wants to maximise employment when it is threatening its staff with redundancy?

Kirsty Blackman: It is, and it is ironic that the DWP is asking staff to step up and deal with its creaking, unfortunate, flawed computer system. It is asking them to do all this additional work to make that happen while failing to make the investment where it should be making it, in the computer system and in the people. I am also seeing a reduction in DWP office staff in Aberdeen. I very much hope that the Government change their mind about the direction in which they are going.

We have heard from Members across these Benches about the issues affecting people's quality of life as a result of the DWP's failures and the failures of the Government's policies. Loads of people have mentioned the safety net. The whole point of a safety net is that it catches people. The point is not to make the holes as big as possible so that as many people as possible fall through. I would rather have a social security system like the one that we are building in Scotland; a social security system that ensures that everybody is caught by the safety net, so that everybody gets what they are entitled to and people do not accidentally fall through. This Government's policy seems to be to give social security payments to as few people as they possibly can and to try very hard to set the bar as high as possible so that people cannot meet the requirements.

We have heard about the Scottish social security system and its openness compared with the DWP's system, where the report on food banks and the equalities impact assessment were buried. Audit Scotland recently audited the Scottish social security system. It said:

“The Scottish Government has continued to successfully deliver new and complex social security benefits in challenging circumstances. This is a significant achievement. There is a conscious focus on the needs of service users, building on the principles of dignity, fairness, and respect. People are positive about their experiences of engaging with Social Security Scotland.”

How different that is from the views that we are hearing down here, from what is in our inboxes, from the absolute intransigence and the issues that people face every day when simply trying to get what they are entitled to.

The social security uprating fails to get anything close to inflationary levels this year. We have seen an increase, but it is nothing close to the level of inflation. In fact, the £650 payment that the Chancellor announced does not even cover the £1,000 that was taken off people last year—never mind going any way to cover the increase in the cost of living. The Chancellor, the Minister and the Secretary of State have repeatedly said, “But people are getting more, with the £650, than they would have if we had uprated benefits”. We are asking them to do both. We are asking them to adequately uprate the benefits and backdate that to April as well as to make the additional payments. Only then can we get to a situation that is close to helping with the cost of living.

[Kirsty Blackman]

This is a tale of two Governments. We can see that another country is possible. We can see the failings, with the bedroom tax, the benefit cap and the two-child policy being carried on with. We have heard a lot about no recourse to public funds. When we discussed the Social Security (Additional Payments) Bill last week, I mentioned that children were literally starving and I was scoffed at by Government Members. If we look at reports, we see that junior doctors talk about children presenting with rickets because of the level of malnutrition, because they have no recourse to public funds, because they have been sanctioned, or because they otherwise cannot afford to eat a healthy diet. Comments have been made about the lack of variety and the lack of healthiness in the diets provided by food banks, which try incredibly hard but just cannot meet the requirements. In addition, they cannot provide food for people who cannot afford electricity. If people cannot afford electricity to boil something in a pan, it is difficult for them to cook adequately.

In the main estimates book, the Government talk about providing £5.6 billion—that is the initial spend—under the Social Security (Additional Payments) Bill. However, they mention providing £37 billion for increases in the cost of living. That £37 billion is made up of additional payments, as the Chancellor has stated, but can the Minister confirm that he is including things in it like the freeze on alcohol duty? It cannot be said that the freeze on alcohol duty relates to improving the cost of living for people who cannot afford to eat.

I am pleased to have been able to talk about the DWP estimates today. What is happening is woefully, woefully inadequate. Our constituents are coming to us and we just cannot provide them with the hope that they need and want, because the Conservatives are digging their heels in and refusing to offer adequate support.

Madam Deputy Speaker (Dame Rosie Winterton): I call the shadow Minister.

2.40 pm

Ms Karen Buck (Westminster North) (Lab): This has been a short debate, but a very valuable one. As always, I pay tribute to the Chair of the Work and Pensions Committee, my right hon. Friend the Member for East Ham (Sir Stephen Timms), for framing it for us. In all the contributions, we have heard similar themes.

Notwithstanding the emergency cost of living payments in the Social Security (Additional Payments) Bill, which we debated a couple of weeks ago, and other help, we have to see the situation in the context that it has been 12 years in the making. We are now deep into a cost of living crisis that is fast eroding standards of living for almost everyone in the country, but as always, it is those with the least who are most seriously affected.

Several hon. Members have referred to research that has been brought to our attention over weeks and months. Only yesterday, new analysis by the Institute for Fiscal Studies revealed that poverty among lone parents, who are always most at risk of poverty, has risen spectacularly since 2010, reaching 49%—almost half of lone parent families are in poverty. Some 1.5 million children are being left behind their peers. Two out of three lone parents report skipping meals and going

hungry. Even though parents will do anything to protect their children, including from the knowledge of the struggles that the family are going through, the children know. Children see, children understand and children are damaged by that experience. It is no wonder that the experience of living on an inadequate income, coupled as it so often is with all the shame, fear and anxiety of debt and arrears, contributes to poor mental health as well as to physical ill health and educational underachievement.

Poverty places a strain elsewhere on public services. It adds to the homelessness budget, it adds to the pressures on local authorities, it adds to the pressures on schools and it adds to the pressures on the national health service. It is also true, with a bitter irony, that it is almost invariably low-income households that are exposed to the additional costs of living in poverty.

It bears saying once more that none of these struggles is visited only on people who are not in work. Of course, people who are out of work—people who are too sick to work, people who have caring responsibilities, people who have disabilities, pensioners—deserve the support and dignity that society can offer them, but in-work poverty has soared to record levels. Despite the rhetoric, being in work is no guarantee of being out of poverty.

The Government's response to the cost of living shock of 2022—the one-off payments that we have been debating—cannot be entirely separated from what came before. My hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) made that point very well. One-off payments in response to the current inflationary shock simply will not undo the erosion of benefits that has taken place as a matter of deliberate Government policy over the past 12 years.

Child benefit has been left to wither since 2010. The local housing allowance, which was designed to support people with the actual cost of housing, has been allowed to fall away from real-world rents since 2011; it was briefly restored to its normal value in response to the pandemic and has now been frozen again by the Government. More than half of households who need to turn to the Government for help with rent are above the maximum level of local housing allowance support, with an average shortfall of £100 a month. Several hon. Members have mentioned the impact of deductions arising from the five-week wait and from other sources, but the shortfall in rent is one of the principal ways in which people are driven below the minimum level on which families are meant to be able to live.

Most working-age benefits were frozen from 2016 to 2020. The four-year benefit freeze was a permanent real-terms reduction in the value of benefits, offset only temporarily by the pandemic universal credit uplift, which of course did not apply to legacy benefits. Benefits lost 7% of their real-terms value in those four years alone, and those losses have not been made good. Inflation matters all the time—not just now, when there is a sudden surge.

What does the stop-start history of benefit uprating tell us about the Government's priorities? It tells us that they have no settled policy on social security and that they regard maintaining the real-terms value of benefits as an optional extra. It tells us that it takes an emergency—a pandemic or a cost of living crisis—before the Government

will make any attempt to do what previous Governments have done as a matter of course: take account of inflation in social security policy.

Of course the emergency cost of living payments are welcome—anything that helps to offset this crisis is welcome—but coming after 12 years in which inflation was allowed to erode benefits, they cannot be seen as a comprehensive solution. The Government's adamant refusal to bring forward next year's benefit uprating to deal with this year's cost of living crisis means that benefits face yet another real-terms cut in 2022-23. The Government are having to rely too much on one-off payments, which should be part of the solution but not the whole solution.

We have talked about working-age benefits, but pensioners have also taken a real-terms cut—the biggest in about half a century. There are 2 million pensioners in poverty, and the number is rising. Ministers have been promoting pension credit uprating, which is good, but that momentum needs to be maintained and expanded. With approximately 850,000 pensioners not claiming pension credit, a huge number are set to miss out. Failing to do more to increase pension credit uptake could mean that more than two thirds of the poorest pensioners will not get the additional means-tested benefit.

We need to be clear about the limitations of one-off payments. As we have heard, they do not reflect family size, so families with more than one child will get exactly the same as a single-person household. Entitlement depends on receipt of one of the means-tested benefits in the month leading up to one of the qualifying days, meaning that people's circumstances in just two months of the year are taken into account. The problem is that people's circumstances change all the time. The Government simply do not recognise that families and households move on and off benefits all the time. A one-off payment tied to just two dates in the year is inevitably a crude approach to matching funding to need. I am particularly concerned about how people with fluctuating incomes will fare. It seems inevitable that a large number of employed and self-employed people with low and irregular incomes will be arbitrarily denied help under the policy.

Had the Government acted earlier and brought forward next year's benefit uprating, as the Opposition and so many others called for, they would have been less reliant on one-off payments. Had the Government not deliberately eroded the value of benefits for much of the past 12 years, we would have been in a much better position to weather this year's inflation surge. The emergency package is welcome—any contribution to relieving the widespread hardship experienced by households across the country will be welcome—but it is deeply regrettable that the Government could not see their way to a more comprehensive, sustainable solution to the crisis of poverty that is now gripping us.

2.48 pm

The Parliamentary Under-Secretary of State for Work and Pensions (David Rutley): I am learning to share the joy that the hon. Member for Aberdeen North (Kirsty Blackman) takes in estimates day debates. I can feel the love and appreciation, predominantly from Opposition Members. It was good to see many hon. Members at the national prayer breakfast this morning, which I think we can all agree was a truly uplifting experience. I thank

the right hon. Member for East Ham (Sir Stephen Timms) for opening this debate on behalf of the Work and Pensions Committee, which holds us regularly to account, as it should, and provides challenge. I thank members of the Committee and other right hon. and hon. Members for their contributions today.

The Government have provided and continue to provide help for households. Throughout the pandemic, the Government acted decisively to protect lives and livelihoods, continually supporting individuals and businesses. Our social security system had a key component—universal credit—which provided a vital safety net for about 6 million people during the pandemic, and stood up to those testing times. We were able to prove, in a real-life environment, how resilient the system was, and I am incredibly proud of the work that the Government did to keep the country going. Our support package was worth a total of £407 billion between 2020 and 2022, and constituted the biggest single fiscal intervention since world war two.¹

We are providing further support to help people with the cost of living. The current cost of living pressures have emerged from a series of economic shocks. We could understand and appreciate some of those shocks as demand increased while the effects of the pandemic receded, but what we clearly could not have anticipated were the sharp increases in energy costs that were driven by Russia's absolutely unacceptable invasion of Ukraine. These global pressures are making it very difficult for households and businesses to absorb the rising cost of essentials in their budgets, which is why the Government are taking direct action to help the lowest-income households with the cost of living. However, fiscal responsibility is important to the country's long-term prosperity, and Government intervention must therefore be timely, temporary and targeted to minimise the risk of further inflationary pressures.

Debbie Abrahams: I take on board some of the Minister's points, but I must challenge him in one regard. He seems to have ignored what has been said about the inadequacy of the system before the pandemic and before the cost of living crisis. Would he care to comment on last week's observation by the Institute for Fiscal Studies that if the Government had provided more targeted support for those in the greatest need, the national inflationary pressures would not have occurred?

David Rutley: We are having to deal with some challenging headwinds, as a result of the pandemic and now these inflationary pressures, but we have sought to take targeted measures. During the pandemic, especially the early stages, we focused particularly on those who were feeling the impact of changes in the employment market, which were immediate. Now we are focusing our efforts on targeted support for the people and households who will be most affected by inflationary pressures. The means of dealing with those are complex, and we are having to develop systems and processes to get the payments out quickly. Because of their nature they will never be 100% perfect, but we have taken other steps to support those who may not previously have been eligible for support. I shall say more about that shortly.

Our labour market policies are part of our plan to manage inflation, and that is a further reason for us to redouble our efforts to encourage more people to get

1.[Official Report, 13 July 2022, Vol. 718, c. 3MC.]

[David Rutley]

into work and take advantage of the current buoyant labour market, with a record 1.3 million vacancies. Our multimillion-pound plan for jobs is helping many people into work with the kickstart scheme and the restart programme. Opposition Members do not always talk about the importance of work and the achievements that have been made in the labour market, so let me point out that last week our Way to Work campaign met its ambition of moving more than half a million people into work in under six months. That is an important achievement, not necessarily for the Government—although we welcome it—but in terms of the difference it will make to households throughout the country.

Moving into work and making work pay are core tenets of our strategy to build long-term growth and prosperity up and down the country, which is why we have introduced a number of work incentives. In particular, we have cut the universal credit taper rate from 63% to 55%, and have increased work allowances by £500 a year. Tomorrow, 6 July, we are cutting the national insurance threshold, a move that will be worth up to £330 a year for nearly 30 million working people.

Some Members have mentioned uprating, including the Select Committee Chair, the right hon. Member for East Ham. As part of the Department's long-term approach, the Secretary of State completed her annual review of benefit and pension rates last year in the usual way, using well-worn, well-proven methods and processes. The state pension and the pension credit standard minimum guarantee were increased by 3.1%, the rate of inflation for the year to September 2021 as measured by the consumer prices index. As I think the right hon. Gentleman will know, we remain committed to implementing the state pension triple lock for the remainder of this Parliament, and on 26 May the Chancellor confirmed that it would be reinstated next year. All other benefits have also been increased this year in line with the consumer prices index of 3.1%. That approach has formed part of a long-standing convention. Since April 1987, all benefit uprating has been based on the increase in the relevant price inflation index in the 12 months to the previous September, helping claimants through the inflationary cycles.

Sir Stephen Timms: I am grateful to the Minister for setting out the commitment to uprating in line with inflation, but does he accept my earlier point about the need, in this very inflationary environment, to uprate the level of the benefit cap? Is he able to tell us whether it will be reviewed between now and next April?

David Rutley: I was going to come to that later, but as it is an important point, I will address it now.

As has been acknowledged today, none of the new one-off payments will be taken into account in the benefit cap, but there is a statutory duty to review the levels of the cap at least once every five years, and that will happen at the appropriate time. The current unusual economic period, with potentially counterintuitive and shifting trends, will need to be considered in the context of any decision about a review. The benefit cap provides a strong incentive and fairness for hard-working taxpayers and households, and encourages people to move into work. Last week, the Secretary of State told the Select

Committee that she was taking advice on the exact timing and the approach. The statutory obligation to review the cap levels at least once in each Parliament changed on 24 March 2022, when the Fixed-term Parliaments Act 2011 was repealed, and the new obligation requiring the Secretary of State to review the levels at least once every five years means that the DWP now has until 2027 to complete a review. As I have said, however, she is seeking advice on that.

The annual review of benefits and pensions for the next tax year will begin in the autumn. To measure inflation, the Secretary of State will use the consumer prices index in the year to September. To measure earnings related to the pensions side of the equation, she will use average weekly earnings for the period from May to July. The uprated benefits and pensions will come into effect in April 2023.

Wendy Chamberlain: May I ask a very brief question? I am really thinking out loud. In that review, when looking at uprating, will the Government examine the implications of the energy price gap, which is clearly having a critical impact on people's incomes?

David Rutley: As I have said, the Secretary of State will be looking at the wider economic environment when making these decisions.

Let me now pick up some other points that have been made today. The hon. Member for Glasgow South West (Chris Stephens), who is terrier-like in his tenacity, mentioned bereavement orders. The Secretary of State has met officials to discuss the proposed draft order, and they are now working on that as a priority. Others have referred to the five-week wait for universal credit payments. It is not possible to award payments as soon as a claim is made, because the assessment period must run its course before an award can be calculated, and it is not possible to determine accurately what the entitlement will be in the month ahead. Our measures will ensure that the correct entitlement is paid, and will prevent significant overpayments from being made.

Chris Stephens: Will the Minister give way, on that point?

David Rutley: I will give way, but this is the last time I shall do so, because I need to make some progress.

Chris Stephens: I thank the Minister for his generosity in giving way, and also for his generous comments. The Select Committee did not argue that a payment could be made straight away; we argued that within two weeks of a claim, a starter payment could be made. Has the Department considered that as a way of addressing the five-week wait?

David Rutley: I have set out our approach, which is to ensure that advances are made available to help people in those difficult circumstances to get the money that they need.

Another point that has been raised is about deductions. We have systematically reduced the amount that can be deducted from benefits from 40% to 30% and now to 25%. If claimants have issues, they can go to the debt management service for further advice and support. Others have mentioned the carers allowance. I want to highlight, as I did in the recent Second Reading debate on the Social Security (Additional Payments) Bill, that

the carers allowance is not a means-tested benefit. Nearly 60% of working-age people who are carers will get the cost of living payments, as they are means-tested benefits, or disability benefits. Carers allowance is paid on an individual basis to people in households across the income scale, so they may live in a household that is able to receive the £650 payment or the disability payment as well, which will help them to pay the bills in their own households. We also talked about how larger families will be getting the same payment as individuals. This is because we needed to get the payment out fast to as many people as possible. We will be making the means-tested benefit-related cost of living payment from 14 July, and that is absolutely critical. We were not able to develop a system that would account for every single eventuality.

I conclude by saying that this Government have worked incredibly hard over recent years to ensure that we help people to get into work, that we make work pay and that we support people with the cost of essentials. The latest cost of living payments that have been made and the additions to the household support fund demonstrate that we are absolutely committed to providing this help for households. I would like once again to thank hon. and right hon. Members for their contributions to this important debate.

Madam Deputy Speaker (Dame Rosie Winterton): With the leave of the House, I call Sir Stephen Timms to wind up briefly.

3.2 pm

Sir Stephen Timms: I am grateful that we have been able to discuss these important issues, and I want to thank everyone who has contributed to the debate. I commend the hon. Member for Glasgow South West (Chris Stephens) for his long-standing campaign on bereavement benefits, and I hope we are reaching a successful conclusion on that. I am grateful to him for all his work on the Select Committee as well. He made an important point in his speech, which I had not thought of before: now that we have a new Government

system for paying one-off grants, surely we could use it to make starter payments for universal credit, as the Select Committee recommended in its report on the five-week wait. As things stand, universal credit is not fit for purpose because of that five-week wait for the first regular benefit payment, and I am grateful to the hon. Member for his suggestion. I hope that we can take that up.

My hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) made some important points, and I thank her for her work on the Select Committee as well, not least her dogged advocacy for vulnerable claimants of disability benefits. We have heard far too many reports of tragic disasters and errors on the part of the DWP, and we are not yet convinced that those problems have been entirely overcome. She gave us some sobering figures on the extent to which social security has been cut over the last 12 years, and we need to do much better. The hon. Member for North East Fife (Wendy Chamberlain) was right to draw our attention to the position of carers and the need for us to do better on supporting them, as we are now doing in Wales and Scotland. I am grateful to everybody who has spoken today, including my hon. Friend the Member for Westminster North (Ms Buck) on the Front Bench and the hon. Member for Aberdeen North (Kirsty Blackman), who spoke for the SNP.

I think the Minister said, in answer to my intervention, that the Government were not required to review the benefit cap until 2027 because the five-year clock had gone back to square one. I do not think it was reviewed in the last Parliament and I have no information about it being reviewed in the Parliament before that, but whatever the statutory obligation, surely when inflation is 10%-plus the Government need to recognise that families on the benefit cap—there are now more than 100,000 of them—are facing rising prices like everybody else and that the benefit cap must be raised in time for next April.

Question deferred until tomorrow at Seven o'clock (Standing Order No. 54).

OFFICE OF THE SECRETARY OF STATE FOR WALES

Support for the Welsh Economy and Funding for the Devolved Institutions

[Relevant documents: Fourth Report of the Welsh Affairs Committee, Session 2021-22, The Benefits System in Wales, HC 337 Fifth Report of the Welsh Affairs Committee, Session 2021-22, The economic and cultural impacts of trade and environmental policy on family farms in Wales, HC 607 Second Report of the Welsh Affairs Committee, Session 2021-22, Renewable Energy in Wales, HC 439.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2023, for expenditure by the Office of the Secretary of State for Wales:

(1) further resources, not exceeding £9,799,643,000, be authorised for use for current purposes as set out in HC 396 of Session 2022-23,

(2) further resources, not exceeding £16,000, be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £9,799,655,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(David T. C. Davies.)

Madam Deputy Speaker (Dame Rosie Winterton):

The debate will be opened by the Chair of the Welsh Affairs Committee, Stephen Crabb.

3.5 pm

Stephen Crabb (Preseli Pembrokeshire) (Con): It is a pleasure to open this estimates day debate. We go from having debated one of the largest items of expenditure on the Government's books in the previous debate to debating perhaps one of the smallest of the Whitehall estimates. I hope that today's debate will provide a useful opportunity for a wide-ranging discussion about the current challenges facing all of our constituencies in Wales and the steps being taken by the UK Government and also in Wales by the Welsh Government to address them.

One of the things I have become more convinced about, the longer I am a Member of this place, is that we need to spend more time debating Welsh matters and not less. We have our annual St David's day debate and we sporadically have the opportunity upstairs to have a Welsh Grand Committee, although that is perhaps a bit too knockabout for the taste of some Members, so using the estimates day route to secure a debate is useful and I am grateful to see other Welsh Members participating today. I am particularly grateful to those colleagues who supported the bid application.

Hywel Williams (Arfon) (PC): Apart from the debates that the right hon. Gentleman has mentioned, there is also the work of the Welsh Affairs Committee, of which I was a member for many years. I understand that the Committee published its report on the benefit system in March. Has he had any response from the Government to that report?

Stephen Crabb: The Government have responded to the report, and we will be publishing our response to the Government's response shortly. I would encourage the hon. Member to keep a lookout for that.

Our report into benefits in Wales is one of three of the Committee's reports that has been flagged on today's Order Paper as being relevant to this debate. We could have flagged other reports, as the Committee has done a lot of work that is relevant to the broad discussion that we want to have this afternoon. We continue to be a very busy Committee, and we cover a lot of ground. I am grateful to colleagues for their regular attendance at the Committee and for their spirit and enthusiasm. I think we do some good work as the Welsh Affairs Committee.

I should also say how grateful we are to the Wales Office Ministers, who give us a lot of their time providing oral evidence. We are also grateful to Welsh Government Ministers—not just the First Minister but other Members of the Welsh Government—who have no obligation to appear before our Committee but who nevertheless choose to do so. That all helps to make the inquiries that the Committee undertakes particularly useful.

Turning to the specific estimate in front of us, I would encourage Members to look at the very helpful House of Commons Library note that has been produced, which explains in much more detail, and far more effectively than I could, how the estimate has been compiled. It also outlines the factors underlying some of the changes, compared with last year's spending plans. Clearly, we are continuing to go through an extraordinary period, economically, in the life of our nation, and that is very much the backdrop to today's debate. If this debate had happened 18 months or two years ago, we would have been debating the impact of the pandemic. We are now in a new phase, and the cost of living is the No. 1 issue facing many of our constituents, as the previous debate highlighted. Personally, I am extremely supportive of the measures taken by the UK Government to support families through the cost of living crisis. The measures that the Chancellor of the Exchequer brought forward were broadly in line with what many of us had been calling for. They represented a major intervention that has been broadly welcomed by many poverty-fighting charities and campaign groups.

There are points that we could debate. I think the preceding debate covered those adequately, but I add my voice to that of the Chair of the Work and Pensions Committee, the right hon. Member for East Ham (Sir Stephen Timms), who has just left his place, on the need to do something to address the five-week wait for universal credit claimants. I attended the breakfast in Westminster Hall that was referenced earlier this afternoon as a guest of the Trussell Trust. I sat next to someone who had found themselves in financial crisis and having to make a claim for universal credit. The thing that she struggled with, alongside her mental health battles, was the five-week wait and falling immediately into debt. I encourage members of the UK Government to look at that to see how we can improve the system.

Beyond addressing the immediate cost of living crisis, I am particularly motivated by a desire to look at longer-term ambitions for improving the economy in Wales. That is why I support the UK Government's levelling-up ambitions and their desire to see all parts of the country rise on a tide to be more in line with one another in the contribution that they make to the UK economy and the share of wealth and prosperity that people in different parts of the country enjoy.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The right hon. Gentleman mentions levelling up. I note what the Government are doing in terms of the funds that are coming to Wales, but there is a shortfall of nearly £1 billion compared with what Wales would have received. In 2019 the Government committed as a minimum to match what had been provided to Wales under EU structural and investment funds. That commitment has not been met; we have seen a shortfall in both rural funding and other funding. Does the right hon. Gentleman agree that that is a major problem when we look at Wales's future challenges and structural needs?

Stephen Crabb: We have discussed that very point at the Select Committee; indeed, just a fortnight ago, the Secretary of State was questioned on it by colleagues on the Committee. We know from previous arguments that it is not always easy to pinpoint the exact details of the totality of spending in Wales, but the general argument that Wales does not receive a "fair share" of funding is a constant theme in Welsh politics. I imagine that will continue long after we have all moved on from this place.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC) *rose—*

Chris Bryant (Rhondda) (Lab) *rose—*

Stephen Crabb: I will give way to the right hon. Lady and then to the hon. Gentleman—I am sure I have just opened the door to a whole host of problems.

Liz Saville Roberts: I am grateful to the right hon. Gentleman for his work on the Welsh Affairs Committee and for bringing the debate forward. We are talking about levelling up. One issue is that the Crown Estate is devolved in Scotland but not in Wales. Does he agree that, with the Celtic sea floating wind investment in south-west Wales in the offing, Wales needs the means to equip itself to grow and not just to be dependent on handouts from Westminster, which is one of the ways that levelling up is explained? Consistency between Wales and Scotland would enable Wales to grow its own economy and, most significantly, the local supply chains that would go alongside that sort of investment. Wales could manage that most effectively for Wales's need.

Stephen Crabb: I do not agree that devolution of the Crown Estate in Wales is necessary to achieve the birth and success of a floating offshore wind industry, which so many of us want to see. We have a fabulous opportunity opening up in the Celtic sea, as confirmed by the Crown Estate today. There are lessons that can be learned from the ScotWind process, but for me, devolution of the Crown Estate is a red herring.

Chris Bryant: My bigger concern is that the way the Government have structured all these different funds that are supposedly for levelling up is based on a competition. I think that leads to project-itis, with people putting together projects to fit the schemes, rather than a strategic look at what is really needed across some of the poorest communities in south Wales. For my own money, the single most important thing that we could do is try to enable far more people in the valleys to build up their own businesses from scratch until they employ perhaps five or 10 people. That is the way we will really get people into meaningful work.

Stephen Crabb: I agree with the hon. Member, who pre-empted a point that I was going to make about levelling up. We want interventions that genuinely move the dial. If there was a weakness in the first round of funding, it was the very tight timescales, with local authorities told to get on with it very quickly. Indeed, the Public Accounts Committee recently drew attention to some of the weaknesses in that process.

We want projects that move the dial, but I say gently to the hon. Member that I remember my time as Welsh Secretary, and never a week went by without an Opposition Member knocking on the door of the Wales Office and asking whether there was not a pot of money somewhere in the UK Government to support a project in a constituency in the valleys or elsewhere in Wales. For the first time, the UK Government are making available pots of money that allow us to be involved in partnership with our local authorities on the ground, working to identify solutions to needs. That is tremendously exciting, and I encourage him to be an enthusiastic participant in that. However, he makes an important point about the broader economic context and things that genuinely move the dial.

If there is one part of the United Kingdom that is crying out for meaningful levelling up, it is Wales. I dislike very much the "older, sicker, poorer" narrative, which gets deployed time and again when we discuss the economy in Wales. Too often, it is used as an excuse for mediocrity, complacency and tolerance of poor performance, rather than as something that drives us in Wales to say that we are not going to carry on repeating the same old mistakes of the past. But there is truth behind the narrative. Look at economic output in Wales: in 2020, it was around 3.5% of all the economic output in the UK. That is lower than Wales's share of the UK population, which is 4.7%. Wales is not punching its weight economically. Economic output per head in Wales is around £24,000, and the UK-wide average is more than £32,000. That is quite some gap.

During the decade from 2010 to 2020, annual economic growth in Wales averaged around 0.8%, similar to the UK average. We could be complacent and say, "Well, we're in line with the UK average," but that is not good enough. If we are going to close the economic gap in Wales, we need to grow significantly faster than the rest of the UK. For me, that is really what the objective of levelling up should be. What are the interventions that can move the dial and help the Welsh economy get to another level where we see more, better jobs created that pay more money and are more sustainable for our communities?

I draw Members' attention to the Office for National Statistics population statistics that came out—

Liz Saville Roberts: The right hon. Gentleman is very kind to take a second intervention. I am sure that the Welsh Affairs Committee is considering the need for interventions and investment that would shift the dial. Does he agree that improvements to the National Grid—in particular, an interconnector between north and south Wales, as proposed by National Grid ESO—really would shift the dial? The potential to feed more into the grid, and the generation that we could then have in Wales, would make such a difference to the economy.

Stephen Crabb: I agree with the right hon. Lady's point about infrastructure—the Committee is looking at that at this very moment—but there is a broader

[Stephen Crabb]

point. Right across different forms of infrastructure in Wales, we are decades behind other parts of the UK. In our rail network and parts of our road network, there is so much work to be done to create the basic infrastructure that can support a modern, 21st-century economy. We all want to protect our own little corners of Wales and keep them nice and quaint. The truth is that if we are happy to stay at that level, we will find that all the properties are bought up by second home owners and there are very few high-quality jobs and training opportunities to keep our young families living there.

That takes me to the point that I was going to make about the population data. There is a real problem when we see a significant drop in the population in places such as Ceredigion—those Welsh-speaking communities in western Wales. That does not bode well for the future. We have parts of Wales with declining populations; overlay the ageing demographic, and that points to some deep-seated underlying challenges. It should be the ambition of us all, whatever our political colours, to address that.

I will make one more point and then let other Members get in on the debate. I come back to the issue of floating offshore wind in the Celtic sea, so let me speak parochially for a moment. In my constituency, that represents one of the most important and valuable economic opportunities that is emerging, as was confirmed today in the statement by the Crown Estate. If we are to make the most of this opportunity in Wales and not look back on it as another missed chance to do something significant—if we are to capture its full economic value—some big things need to start happening. We need the port infrastructure in Wales, particularly in south Wales, that can handle these mammoth turbines that are going to be built. We need work on the design of the contract for difference scheme, because some of the developers have real concerns when they look at the Celtic sea opportunities and what is already being leased out in Scotland, and questions are being raised. Will the Scottish economic opportunity outmuscle what is available in Wales? There is a real issue associated with the design of the CfD scheme.

As for the supply chain, we need to ensure that we have jobs and training opportunities in Wales for Welsh people, and that all the manufacturing, servicing and maintenance of the gargantuan new turbines that will be floated off the coast is not done elsewhere. Let me leave that thought with the Secretary of State. He and I have talked about these issues a lot, and I know that we are very much on the same page, but I still think there is work to be done within the UK Government and the Department for Business, Energy and Industrial Strategy to make that happen.

3.21 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): It is a pleasure to speak in this debate on the Welsh estimates. Let me start by congratulating the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) on securing this debate and on making a fine speech, which seemed to be a damning indictment of the failures of Westminster economic policy as it applies to Wales—I hope he will be sending a copy of his speech to YesCymru.

When we have discussed regional economic policy over the years, I have often equated the scale of the challenge facing the British state to that which faced the German state following reunification. That is itself a damning indictment of the state of matters in this disunited kingdom. Germany, of course, had literally been split in two, and not only in terms of political entities and economic systems; there was a physical barrier between east and west. The Prime Minister mentioned the German example when launching his levelling-up mission.

What lessons can be learned from Germany? Although it has not fully managed to close the gap between east and west, the east of Germany now outperforms most of the geographical parts of the British state outside the south-east of England. The first lesson that all political parties need to learn is that levelling up will not be a one-term or one-Government policy agenda; such is the scale of the challenge that it will take decades, and Governments of different colours will have to be committed to the agenda. Secondly, it will not come cheap and will require considerably more funds than have been allocated to date. The flagship fund, the levelling-up fund, has an allocation of £4.8 billion. The Centre for Cities estimates that the federal German Government have invested €2 trillion between 1990 and 2014, equating to £71 billion per annum. Of course, a large part of that sum represented fiscal transfers in the shape of pensions and benefits, but 21% was deliberate financial equalisation, 13% was infrastructure investment and 9% was business support. Redistribution in the context of the British state is mostly based on welfare payments, which are largely required as a result of a failed macroeconomic policy. Without serious investment, there will not be serious levelling up. Infrastructure investment should be redirected to low-productivity areas.

Stephen Kinnock (Aberavon) (Lab): I am interested in the hon. Gentleman's comparison with Germany. Does he agree that one secret of the German success is a radical devolution model, held together in a federal state—but very much together? It is interesting that he is making the case for the German model, which is based, by definition, on a federal state, not on separating. If the German Länder had separated from each other, it probably would have ended in disaster.

Jonathan Edwards: I will get to the point about government structures later, but there is a definitely a debate to be had about the constitutional question. In my view, the constitutional question in Wales is very much an economic one, which is why I ultimately support independence for my country.

Finally, the post-reunification German constitution is underpinned by a coherent political structure based on powerful Länder and local governments, as the hon. Gentleman said in his intervention. Levelling up cannot be delivered from Westminster alone. What English politicians want to do with regional governance in England is a matter for them, but the Welsh, Scottish and Northern Ireland Governments must be empowered with a full portfolio of fiscal powers. I was no Brexiteer, but I will say that if the British Government were genuinely interested in maximizing their new freedoms to boost levelling up, Wales should have full powers over income, corporation tax and VAT. Of

course, not only are this British Government anti-European, but they are anti-devolving powers from Westminster, and that is leading to complete economic and political stasis.

Talking about ironing out Brexit teething problems will not solve the crisis either. I often consider political discourse in this place to be outside the paradigm of reality, but the truth is that Wales and the UK are in a state of limbo. The UK is facing an inflationary spiral not witnessed in my lifetime, and it is running the worst current account deficit since records began, at a staggering 8.3% of GDP. As Will Hutton wrote in *The Observer* over the weekend, this is the sort of deficit

“recorded by banana republics before they collapse”.

As a direct result of post-Brexit trade policy, real export volumes are down 4.4% and import volumes are up a staggering 10.4%. Within the EU single market and customs union, the UK was the leading destination for foreign direct investment, but that is no longer the case.

All that is leading to reduced investor confidence and a slump in the value of sterling, adding fuel to the inflationary fire, which hurts every one of our constituents. The Bank of America warns that sterling is facing an existential crisis. This place should be in complete panic mode, yet Westminster plods along sticking its fingers in its ears and whistling to itself in a happy bliss of ignorance. If the British Government are unwilling to provide economic levers for Wales to solve its own problem, the only sensible solution is to rejoin the safe harbour of the European Union economic frameworks. That would boost exports, help investment and, critically, return some much-needed economic confidence and strengthen sterling.

In the time left to me, I turn to capital projects associated with the city deals. Jonathan Burnes, the director of the Swansea Bay city region deal, has warned that construction costs were high as a result of inflationary pressures, which might endanger some of its proposed projects. Furthermore, there are worries that the promised private sector investment that makes up the vast majority of the Swansea deal could fall if economic conditions worsen as expected. The key plank of the British Government's economic policy for the communities I represent is therefore at “red” risk level. It would be helpful if Ministers could outline, in winding up, what they will do to make up the expected shortfalls.

Lastly, I highlight the challenges facing the Welsh Government's budget, as day-to-day funding for Wales remains slightly below the 2010 level. Furthermore, the rate of real-terms reduction is currently greater than the British Government's departmental average. When Unionists speak of the dividend that Wales gets from being part of the British state, it clearly does not apply to the funding we receive as a nation.

3.27 pm

Robin Millar (Aberconwy) (Con): It is a pleasure to follow the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), and I will refer in my speech to some of the comments he made. The hon. Member for Rhondda (Chris Bryant) made an interesting comment about the strategic aspect, perhaps suggesting that there should be less competition within the funding arrangements. I may address that as I move through my speech.

This is a timely debate, given the concerns about rising prices and the strength of the economy. We must recover and adjust to a post-pandemic era. We must also deal with the distortion of global markets by the invasion of one of the world's largest grain producers by one of the world's largest exporters of hydrocarbons. These are rough seas for anyone to navigate, and I am unequivocal that Wales is better for doing so as part of, and within, the UK. To use the example of tourism, in Wales we have just 2% of all visitors to the UK. Wales can clearly benefit from attaching itself firmly to the UK's global offer, and from attracting more visitors to come and see what is unique, special and distinctive about Wales.

Hywel Williams: I would be delighted to agree with the hon. Gentleman that Wales should hitch itself to the UK effort, if that UK effort was any good at all for Wales. My impression, after many years of examining the UK's efforts to promote Wales, is that it is hopeless. Does he agree?

Robin Millar: I certainly agree that we can do better. To be clear, I speak in this debate as a proud Welshman—Cymro balch, if I am allowed to say that in the Chamber—born, raised and schooled near Bangor. I have the honour of representing Aberconwy, which is by any measure one of the most beautiful parts of Wales, and indeed the United Kingdom. It should be no surprise that my constituency attracts hundreds of thousands of visitors from throughout the UK and overseas. Llandudno, the queen of the Welsh resorts; the natural splendour of Eryri, Snowdonia national park; Conwy castle, one of several UNESCO world heritage sites that we enjoy in north Wales and are happy to host; and a thriving hospitality and culinary scene—these are just some of the attractions that make Aberconwy the visitor success that it is.

I share the pride felt by so many of my constituents in this thriving sector, but I also share the concern of many that we are so dependent on tourism, and the concern that, for so many young people, the only chance of pursuing a high-skilled, well-paid career lies in moving away from their community. This pattern has been detrimental for many and to the future of many, and not least also to the viability of our precious Welsh culture and language—a language that I, like so many in all parts of the Chamber, wish to see flourish.

I had to move away from north Wales to develop my interests and career, initially as an engineer. In many ways, it is a typical north Wales story, but it cannot be right that our young people have to think in those terms—that to see themselves working, living and settling in north Wales, they must first move away; but then I notice, when I look at Wales's economic figures, that weekly income over the last 20 years has essentially just about kept up with inflation. There has been no net increase. Why is that? It is a frustration, because Aberconwy is home not just to many of the UK's finest visitor attractions, but to talent and ingenuity.

Just last winter, an analysis of Companies House returns identified Llandudno, the queen of resorts, as the entrepreneurial capital of the UK. More new companies were filed there than anywhere else. That has to count for something, and it certainly reflects the conversations I have with many young and ambitious people in Aberconwy. Each and every week when I am home in

[*Robin Millar*]

my constituency, I visit businesses and community groups, and I am always impressed by the entrepreneurialism, and the commitment to growing, creating and strengthening things. Whether we are talking about business, people, groups or even our communities, there is huge ability and interest in improving what we have.

As we have heard, talent is distributed throughout the United Kingdom, but opportunity is not. Creating opportunities in communities in every corner of Wales, and indeed the whole UK, is at the heart of this Government's levelling-up agenda. That is why I welcome the record amounts of funding and investment coming to Wales from the UK Government. However, there are three frustrations that I would like to set out, and they speak to why levelling up could not be more urgent for communities throughout north Wales. It is a tragic fact that, after 24 years of devolution and a consistently Labour Welsh Administration in Cardiff, despite all the promises, all the opportunities for devolution and our vast economic potential, Wales has the lowest economic output of anywhere in the UK apart from north-east England, a region with its own unique challenges.

Liz Saville Roberts: I am listening to the hon. Member with great interest, because he is making some persuasive arguments, but does he agree that devolution for Wales has not equipped Wales with the tools to make a significant difference? We have seen Labour managing poverty in Wales, rather than having the means to make a difference. He talked about tourism. Does he agree that if we are to play to our strengths, we should have a tax on people staying in Wales—what is known as a tourism tax? That would surely be a way of improving our skills base, which would lead to better jobs, better qualifications and a better experience all round for communities in which there is tourism. Does he agree that we should play to those strengths, and that we need the means of doing that?

Robin Millar: The right hon. Lady's intervention gives me an opportunity to make a really important point. I think that we have a fundamentally different view of the world. Effectively, she is referring to a deficit model, in which the deficit from poverty and need is something that must be filled. I come from a different perspective. I hold to what I would call an asset-based model. Yes, there are problems, gaps and shortages, but the way to deal with them is not simply to try to fill the deficit; it is to engage with and use the assets that are there.

I have spoken against the tourism tax. I feel very strongly that a tax placed on visitors who stay in hotels does nothing to address problems, or the behaviours of those who come to the area and wild camp, or do not even stay overnight, and who do not spend money in the local economy. I understand the sentiment behind the tax, but its motive is to make the money to fill or fix the deficit. We should instead ask: how do we work with communities and businesses to change the behaviour of visitors, address their experience, and address inappropriate behaviours in our area?

Our frustration comes from seeing that we have talent, but limited opportunities. That is compounded by our having one of the lowest income outputs of anywhere in the UK. On top of that comes frustration with some of

the responses of the Welsh Labour Government. I say that in all sincerity. In a recent letter to leaders of local authorities in Wales, the Welsh Government Minister for the Economy wrote that

"the Welsh Government is unable to endorse the approach that the UK Government is taking on the Shared Prosperity Fund. This means, as we have consistently stated to the UK Government, that the Welsh Government will not deploy our own resources to implement UK Government programmes in Wales which we consider to be flawed."

I, like many others, am frustrated by this approach. Surely it is counterproductive to second-guess how a UK Government funding stream for parts of the UK will be handled.

Stephen Crabb: My intervention is in response to the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), who argued that Wales needs more tools. The tools that we have already given to the devolved Welsh Government have not been fully used. I give the example of income tax. Does my hon. Friend the Member for Aberconwy (Robin Millar) agree that one thing we could do in Wales is cut the top rate of income tax—that is something for which the Welsh Government have responsibility—and attract high-value tech entrepreneurs and their families to Wales, which would create more jobs and businesses?

Robin Millar: I thank my right hon. Friend for making that point. I could not agree more. Contrast that deficit view, which seeks to fill, with an asset-based view, which seeks to grow, encourage and stimulate that kind of economic activity.

Ben Lake (Ceredigion) (PC) *rose—*

Robin Millar: How could I possibly refuse the hon. Member?

Ben Lake: In the interests of consistency, does the hon. Gentleman agree with cutting VAT for hospitality businesses, rather than increasing it, as happened recently after the pandemic?

Robin Millar: I would settle for not adding a tourism tax on top of VAT.

Contrast the Welsh Labour Government's view that we should not implement UK Government programmes in Wales with the more enlightened view of the Welsh Local Government Association, which, in its manifesto for localism, said that

"greater fiscal autonomy and flexibility"

should be at the centre of its plan for recovery from the pandemic. That is what the levelling-up fund and the shared prosperity fund seek to do.

I said that I had three points. My third is to do with misunderstanding business. As my right hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) mentioned, we in the Welsh Affairs Committee are very grateful to have Welsh Government Ministers in attendance at our Committee. Without a doubt, it enriches the evidence presented to us and our discussions. When the former Minister of the Economy, Mr Skates, attended, he was asked a question about the Welsh economic plan. This flagship project of the Welsh Government sought to sign up Welsh businesses to it. After some discussion, we established that the aim was for 3% of Welsh businesses—some 6,000—to sign up. I put it to

him in our meeting that the reason for the low take-up was the unrealistic expectations placed on businesses in Wales. The time and financial commitment that it takes to sign up to making quite honourable and desirable—idealistic, I suppose, is too strong a word—steps towards decarbonising business and making it more sustainable are simply crushing for small businesses. After all, 95% of businesses in Wales have fewer than 10 employees.

In that context, I will make a comment on the question asked earlier about the amount of funding coming into Wales. Despite concerns about performance, and despite the frustration, and confusion or misunderstanding, about what businesses need, the reality is simple and irrefutable: there has never been more funding coming into Wales, if we perhaps except the blip that came through the consequentials around the covid pandemic.

Let us start—and start we must, because this is a long list—with the spending review. In 2021, we set the largest annual block grants for the Welsh Government: £18.4 billion per year. That will increase to £20 billion between 2022 and 2023. If comparison is helpful, over the spending review period the UK Government are providing the Welsh Government with roughly £1,000 more per person than is spent in England. That block grant increase is in addition to £900 million for farmers and land managers over the next three years, and the £6 million for Welsh fisheries.

That is not all: there is also the first round of the levelling up fund—yes, there are more rounds to come—which is £121 million, and there is £46 million through the community renewal fund. Perhaps hon. Members can see a pattern here. That is in addition to the £460,000 in just the first round of the community ownership fund and, lest it feel left out, the £130 million of investment by the British Business Bank.

All that funding speaks to the points so helpfully made by the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), and highlights the difference between a deficit-based and an asset-based approach, because all that is also in addition to Wales's 22% share per annum of the UK-wide £2.6 billion UK shared prosperity fund—a fund that ensures that EU funding is matched. Those are not my words; on 11 June, during an evidence session of the Senedd's Finance Committee, Guto Ifan, a research associate at the Wales Governance Centre—an organisation that has never been slow to criticise this Government—stated:

“by 2024-25, the annual funding from the shared prosperity fund will match the average annual funding that Wales would have received”

from the European regional development fund and European structural fund, after inflation readjustments. All that long list comes on top of substantial legacy EU funding, which Wales will continue to receive as it tapers off.

I could speak at length—[*Interruption.*] I assure you that I will not, Madam Deputy Speaker; I would not deprive hon. Members of their time—but the money coming into Wales offers a huge opportunity to my Aberconwy constituency and north Wales. It is incredibly positive and forward-looking of the UK Government to act in this way. Local businesses are excited by it, and I see tremendous potential in the projects and bids we will submit to the levelling up fund bidding process.

In conclusion, we must ask what has happened in Wales in economic terms. It is not in a good place; it has not been in a good place, and there is no suggestion that

that will improve as long as the Welsh Labour Government continue with their economic plans, which have, after all, been under their devolved capacity for the entirety of the Welsh Government's existence.

3.43 pm

Beth Winter (Cynon Valley) (Lab): I congratulate the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) on securing this debate, and thank the Clerks on the Welsh Affairs Committee, who do sterling work for us.

I do not really know where to begin; as I listened to the hon. Member for Aberconwy (Robin Millar), I felt as though I was living in an alternate universe. I could not disagree with him more, unsurprisingly, and I will outline why. I start by saying how proud I am, as I know other hon. Members in this Chamber are, of Wales, the Welsh Government and what we have achieved. We are the only country in the UK to have had a Labour Administration since the inception of devolution, and currently they are pursuing in Wales progressive, bold, socialist policies, including the extension of free school meals to all primary school children, the universal basic income pilot, the living wage for key workers, and a major cost of living crisis support package. Contrary to what Conservative Members have said, the UK Government have actually cut funding for Wales. Looking at this year's main estimate for funding in the memorandum to the Welsh Affairs Committee, I see that the cuts are significant, indicating over £2 billion in comparison with the previous year. I have that document if anybody wants to see it. The budget is going to be worth £600 million less over the spending review period because of mismanaged inflation, and, contrary to what Conservative Members have suggested, EU funding will be £1 billion less by 2024-25.

That reduction in funding is a clear example of the UK Government holding back Wales on its ambitious policy agenda. They are not providing the funding and investment we require, particularly during this historic cost of living crisis—the worst in living memory. The UK Government are continuing to pursue their agenda of ideological austerity and recentralisation of power in Westminster, bypassing the democratically elected Government of Wales, as we are seeing with the levelling-up fund, the community funds associated with the post-Brexit agenda, the United Kingdom Internal Market Act 2020 and the Elections Act 2022. In all sorts of areas, the UK Government are riding roughshod over the democratically elected Government of Wales. This goes against Welsh Government priorities and, as I have said many a time, it is an affront to democracy. The people of Wales backed a Labour Government who champion devolution and progressive policies and look to protect public services and, indeed, public ownership.

The Welsh Government's Finance Minister has condemned “clear gaps in funding” in the spending review and called the spring statement a “threadbare” one that exposed

“an out-of-touch Chancellor”.

I could not agree more. It is vital that the block grant allows the Welsh Government to lift incomes and investment, even if the UK Government will not. Earnings in Wales and the proportion of people on low incomes in Wales are worse than in the rest of the UK. In my constituency, I commissioned some research on the

[Beth Winter]

post-covid economy that was conducted by the Bevan Foundation, looking at community wealth-building approaches. The evidence was shocking. The median earnings of working residents are well below both the Welsh and the UK averages. Another piece of research that was recently conducted on the cost of living crisis exposed harrowing experiences. Over 30% of respondents had skipped meals over the past year to keep costs down—over 60% in the case of benefit claimants.

The central issue facing both the UK Government and the Welsh Government is how to deal with the impact of inflation by lifting incomes in real terms. There are key immediate actions that can and need to be taken. On trade unions, as the Welsh Government pursue their new Social Partnership Council, the UK Government must not undermine Welsh Government legislation on industrial relations. On pay, the UK Government must listen to Wales TUC and consult the Welsh Government in responding to trade union public sector pay demands. On social security, the UK Government must adopt the Welsh Affairs Committee's recommendation to reintroduce the £20 universal credit uplift and extend it to legacy benefits, and, in addition, use near-term inflation forecasts to increase benefits.

On levelling up, the UK Government must allocate adequate funding from the shared prosperity fund to Wales, and it should go through the Welsh Government, which is the Government of Wales. On other revenue sources, the UK Government must begin a process of equalising the role of the Welsh Government over the Crown Estate with that of Scotland, as has already been mentioned.

We also have to look at the powers in the long term and at how funding is allocated to Wales. The Barnett formula is inadequate and does not work. The introduction of a floor to prevent underfunding of public services in Wales and a discussion about devolving corporation tax and capital gains tax merit UK-wide debate, as recommended by the Holtham commission.

To conclude, there is a lack of trust in the UK Government delivering the funding necessary to alleviate the cost of living crisis from the people of Wales and my constituency of Cynon Valley. Because of that lack of funding, the Welsh Government are severely constrained in how they can deal with that crisis and, as I said at the outset, how they can push forward their innovative ideas, which they are doing in co-operation with other parties, and I again put on record that I fully support the co-operation agreement. It is because of those constraints that I support the First Minister pursuing an agenda to strengthen the Senedd and to give Welsh politics greater clout to fight its corner and to fight for the funding it deserves. I am sure that in time we will secure it.

3.51 pm

Simon Baynes (Clwyd South) (Con): It is a pleasure to follow the hon. Member for Cynon Valley (Beth Winter), for whom I have the highest respect. We do not always agree on everything, but having served on the Welsh Affairs Committee with her and various other Members present here on both sides of the House, I echo her words in praising the staff who make the Welsh Affairs Committee run so well. We discussed this

debate in the Committee and we all feel, whichever political party we represent, that this important event enables us to bring the affairs of Wales to the Floor of the House, which we all are keen to do.

My own upbringing was in the tourism industry—we have had much talk about it already in this debate—at the Lake Vyrnwy Hotel, which my father ran as a business. It is only a few miles south of my constituency of Clwyd South, which in itself has a wonderful tourism industry with the wonderful heritage, the canal, the steam railway, the beautiful countryside and so on. I will return to that theme later.

With all due respect to the hon. Member for Cynon Valley, I do not recognise her point about the spending review cutting money to Wales. Given the figures that my hon. Friend the Member for Aberconwy (Robin Millar) gave—I will not go back over all those—it seems self-evident that the block grant to the Welsh Government is rising year by year by a generous amount. I do not see how we can dispute that fact. At £18.4 billion rising to £20 billion in the coming year or two, it is the most generous spending review settlement since devolution.

There has also been mention of the fact that the amount of money coming from Europe to Wales will be cut. With all due respect, that simply is not the case. The shared prosperity fund will equalise, if not increase the amount of money that would otherwise have come from the European Union. The hon. Member for Rhondda (Chris Bryant) made the point about the levelling-up fund not being fair. As an MP for north-east Wales, I would argue that the European funding was not fair, because it was concentrated on west Wales and south Wales. North Wales, mid Wales and north-east Wales had little representation in that. My argument is that all parts of Wales need support. My constituency and my neighbouring constituencies have deprivation as well—deprivation is not exclusive to south Wales or west Wales. Therefore, the new shared prosperity fund, and the other funding that is coming through in the levelling-up fund and the community renewal fund, are spreading the money and investment across Wales, which strikes me as being much fairer.

Hywel Williams: Does the hon. Gentleman agree that the drawing up of the NUTS—nomenclature of territorial units for statistics—maps that identified west Wales and the valleys as targets of European intervention was an objective process, based on clear metrics? Does he think that the metrics for the levelling-up fund are equal or superior to those that led to the drawing up of those maps?

Simon Baynes: Actually, I do think that the way it is being done now is fairer. I could never understand that schematic system, which was rigid in its thought process and implementation, and which meant that areas of deprivation, particularly in north Wales, were simply not going to get the level of funding. I am not saying that there was no European funding—there was some—but it was not anything like the largesse that went to west and south Wales. That simply cannot be right. The new system is much fairer in its thought process and application.

Another point that I feel strongly about is devolution, about which we have heard from several Opposition Members. To my mind, if the granting of money is devolved from the UK Government to local authorities, that is devolution. Why should it go to the Welsh

Government, who already get a huge block grant and have plenty of scope within their remit of government to spend that money? It seems that they like devolution if it comes into their coffers, but they do not like it when it goes into the coffers of the local authorities.

Christian Matheson (City of Chester) (Lab): The Government's form of devolution is different and does not work because it is a beauty parade. Councils are asked to bid and then some get the money and some do not. It is not a fair form of devolution, because it pits one council against another with an opaque mechanism for deciding how councils get the money. At least if it goes to the Welsh Government, it is clear how Wales is getting the money.

Simon Baynes: With all due respect, I have been part of that process. As the Member for Clwyd South, I sponsored a bid, which was granted. One point I would make—[*Interruption.*] Opposition Members can make their point, which I know and which I anticipated, but let us take the world heritage site at the Trevor basin in my constituency, which includes the wonderful Thomas Telford aqueduct. Hitherto, it has never had any public money invested in it by the Welsh or UK Governments. I think that the constituencies of Opposition Members have received money for so long that they do not understand how starved places such as my constituency have been over a long time.

The hon. Member for City of Chester (Christian Matheson) said that the process pitted councils against each other, but that is not how I see it. Let us look at the process, in which I have been involved. Every council can apply, although some Labour councils do not because of a political point of view, which seems a very strange approach when the money and availability are there. It is not really pitting people against each other; it is an application. The Welsh Government are themselves an opaque mechanism for distributing money to regions such as north Wales. Those of us who represent north Wales constituencies are fed up with north Wales being starved of investment and south Wales in particular getting the lion's share. For us, it is a much fairer system.

The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) referred to the financial problems that are besetting the country. I accept that we have high inflation and so on, but if Wales were independent, how would he get round the fact that its national net fiscal deficit—the gap between total public spending for Wales and public sector revenues from Wales—amounted to £25.91 billion at the financial year end in March 2021? This is about £8,200 per person compared with the UK average of about £4,700 per person. It seems to me that, if we went down the route suggested by Plaid Cymru Members, we would have a huge financial problem in Wales, and we never ever hear any cogent arguments to oppose that point of view. If they are going to vote for independence and to go for independence, they have to prove to the country how they would make the books balance.

Jonathan Edwards: I am grateful to the hon. Gentleman for taking an intervention and inviting me to respond to him. Does he not accept that the fiscal deficit is a damning indictment of failed Unionism? That is what it is: it is because of the failure of the Westminster system.

Simon Baynes: I and other Conservative Members refer to the fiscal deficit to make the point that England and the rest of the UK—the UK overall—is supporting Wales to a massive extent. On the hon. Member's point about the fiscal deficit, Wales simply does not generate the funds for the public sector services we have; they are provided by the overall advantages of being in the United Kingdom, which are massively beneficial to Wales.

Robin Millar: I am grateful to my hon. Friend for opening the lid on this complex and important question of devolution. Does he agree that there is a difference between the instruments of devolution—the institutions of devolution that were democratically set up by a referendum—and their political operation, since they were set up, by the Welsh Labour Government? Does he see a distinction?

Simon Baynes: Yes, I certainly do. One question the Labour party must ask itself is whether, by going into collaboration with Plaid Cymru, it is actually supporting independence for Wales. How does it guard against that? The agenda is dragging it, day by day, closer to an independence agenda, which it is prepared to risk for the sake of its own political stability.

Liz Saville Roberts: One thing we need to consider is how the status quo results in Wales's current financial position. Carrying on doing the same thing when it has led to failure in the past is the obvious statement—that is something else to be considered. Does the hon. Member agree that, in citing how much Wales receives, we must bear in mind that London receives more public spending per person than any other country of the United Kingdom or region of Wales at £15,490 per head, compared with Wales at £14,222 per head? When we use the argument that Wales receives more than England, we should look at the fact that London and its prioritisation affects the rest of the UK. We in Wales are trying to find a more effective way.

Simon Baynes: I thank the right hon. Lady for her intervention, and I have a degree of sympathy in that I believe we should support areas outside London, but the fact of the matter is that London generates the income that it spends. London, regardless of whether she or I like it, is the economic powerhouse. We represent adjoining constituencies in a very beautiful part of Wales, but the truth remains that a large proportion of Treasury finance is generated by London. Overall, the point I wish to make is that public spending in Wales is 20% more per person than it is in England, which shows, to my mind, that the UK Government are providing very strong support for Wales.

I have huge respect for the hon. Member for Cynon Valley and have seen how seriously she takes the cost of living issue, and learned a lot from listening to her in the Welsh Affairs Committee. I suggest that two things may be worth thinking about from the Labour party's point of view. First, under Labour council tax bills in Wales have soared, while the UK Government have ensured that council tax has fallen in England in real terms by 1.1% since 2010. Over the same period, bills in Wales under Labour soared by 54%, or 17% in real terms. That really hits people in Wales in their pocket.

[Simon Baynes]

Secondly—my right hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) made this point—the Welsh Government now have the capability to use income tax to raise more money, or indeed to reduce income tax, yet we never hear any word of that. I often wonder whether the Welsh Government are scared of using those powers. We see all the time that an easier way to handle things is to complain about the UK Government but take the money, rather than actually thinking about ways to ameliorate the situation through levers that have been put in the hands of the Welsh Government. I also wish to comment on infrastructure, because it seems crazy to me that the Labour-Plaid coalition has suspended all new road building projects, holding back vital infrastructure improvements. If we want to improve the economic performance of Wales, we must improve the infrastructure—everybody knows that—and I hope that the Labour Welsh Government will reconsider that position.

Finally—you will be relieved to hear that, Madam Deputy Speaker—the Labour-Plaid coalition must also think hard about adding 36 more politicians to the Senedd at a cost of over £100 million per Parliament. That is enough money to pay for 780 doctors, 800 nurses, or 740 teachers. Let us consider the Welsh health service performance—I think Opposition Members have also commented on this. For example, the number of people waiting more than two years in Wales is now 68,032—an increase of 887% in a year—and that is more than five times the English figure of 12,735, which is shrinking fast. All I would say is that the Labour-Plaid coalition should think about spending the money that they are going to spend on extra members of the Senedd on improving the health service, which would be to the benefit of everybody in Wales.

4.7 pm

Ben Lake (Ceredigion) (PC): It is a pleasure, as always, to follow the hon. Member for Clwyd South (Simon Baynes), and I join him and the hon. Member for Cynon Valley (Beth Winter) in thanking the staff of the Welsh Affairs Committee. A number of Committee members are present this afternoon, and we benefit from their hard work and diligence in preparing what I would argue is an impressive range of inquiries. We punch above our weight—very much like Wales, perhaps.

I congratulate and thank the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) for securing this debate and for leading the Welsh Affairs Committee in the way that he does. His contribution, and those of my hon. Friend the Member for Carmarthen East and Dinefwr (Jonathan Edwards) and the hon. Member for Aberconwy (Robin Millar), have already caused us to discuss the structural long-term problems that Wales and its economy are facing, and the demographic consequences of those structural problems. Mention has already been made about recent census results in which Ceredigion reported a 5.8% fall in its population. I do not intend to pursue that line of inquiry in my remarks this afternoon, but it is an important area for us to consider and debate in future, because it is intertwined with the debate about levelling up and building a more prosperous economy, and indeed society. In many rural areas, and particularly areas such as Ceredigion, we are seeing a demographic trap in which some of our biggest

and most valuable exports are our young people and skills. Yes, that has been happening for many years, but sadly the trend has been accelerating in recent decades. We need to get a handle on that.

I want to focus my remarks on the impact of the recent cost of living crisis on both households and businesses. Set against that backdrop, the debate is timely. As right hon. and hon. Members will be well aware, our constituents, whether households, businesses or community groups, are struggling under the weight of increased fuel and energy costs in particular. In anticipating some of the Secretary of State's arguments and comments in summing up, I acknowledge that there has been a package of measures and support from the UK Government. As the Library's briefing informs us, it amounts to some £37 billion and includes: £400 to help all households with energy bills; £650 for households receiving means-tested benefits, with an additional £300 for pensioners and £150 for people receiving disability payments; and a further £150 council tax rebate for households in council tax bands A to D.

Liz Saville Roberts: My hon. Friend is making an excellent speech. On that £400 household grant, does he share my concern that the residences of farmers count as businesses and therefore do not qualify? That is significant for us in Wales and would make a difference to an awful lot of people in rural areas.

Ben Lake: I am grateful to my right hon. Friend for raising that important point. Indeed, a number of hon. Members are concerned about that. There is still a lack of clarity arising from the technical consultation on the energy bills support scheme about whether farms—I am told that most of them will have a commercial electricity contract that also includes their household premises—will be able to receive that £400. It is important for the Government to look at that now before introducing the scheme in the coming months. She is right that it would not be appropriate or fair if farmers—many hon. Members in their places represent a great number of them—lost out due to a technicality. I am certain that the Government intend to support those individuals and households; it is just that the technical eligibility criteria need to be put right.

One thing that the useful House of Commons Library briefing tells us is that, despite that rather impressive package of measures, once we take into account changes to income tax and national insurance contributions, some of that support is offset, at least in net cost to the Treasury. If we were to take tax increases into account, net Government support stands at about £14 billion in the fiscal year 2022-23.

We need to consider whether the package of support is sufficient, given that we know that domestic gas prices increased by 95% between May 2021 and May 2022 and that domestic electricity prices rose by 54%. In nominal monetary terms, the April price cap saw an increase in the maximum for average bills from £1,277 a year to £1,971 and, in May, the chief executive of Ofgem mentioned that he expected the price cap to rise by potentially 40% in the autumn to a maximum of £2,800. That would be a doubling in less than 18 months, and that is why it is important that we consider the sufficiency of the measures already announced. Just after April's price cap came in, the Welsh Government estimated that 45% of households in Wales could fall

into real fuel poverty—and, of course, that does not take into account further increases that may come in the autumn.

As MPs representing rural areas know, the energy price cap offers solace only to households on the mains gas grid. Many off-grid properties have not been offered the same level of price protection and have been exposed to significant price increases in terms of heating oil and liquefied petroleum gas. It is particularly true in Ceredigion, I am sad to say. According to the Mid Wales Energy Strategy, as many as 72% of properties in Ceredigion are off the mains gas grid. I am sad to say that we have the accolade of being the constituency most dependent on heating oil of any in the UK Parliament. On average, the price of heating oil has risen by 150% in the last year. In some circumstances, the increases have been significantly higher.

There is a debate we need to have, perhaps not for today, on whether we need to change approach in how we tackle the price hikes. Are we certain that they are just one-off temporary increases? Some suggest that we have underestimated and under-costed the risks, and that some increases are here to stay. Indeed, we could see further price increases. I note just today turbulence in Norway that might cause a further increase in the price of wholesale gas. There are a lot of uncertainties at a time when wholesale prices are already at an elevated level.

Before drawing to a close, I should mention that we need to do more to support small businesses and community groups facing energy and fuel price increases. I have been speaking to many hospitality businesses in Ceredigion. One told me that its energy bills have increased by 450% and to such an extent that it had to really consider whether it could continue to operate. The situation is not unique to that business. I know a great number of many other businesses that are struggling in a similar manner. We cannot allow otherwise valuable and successful businesses to fall foul of the price hikes. I sincerely believe that the situation warrants further Government intervention.

To add to that, because I do not want to portray this as solely an economic problem, there is also a community or social impact of the current crisis. We will all have heard from community groups, halls and swimming pools—you name it—that are struggling at the moment with higher than average energy bills. We are currently in the summer months, so usage is a lot lower than it will be in the winter. If they are struggling now, I dread to think where they will be in autumn. For example, in my own constituency, Calon Tysul, a community-run swimming pool in Llandysul in the Teifi valley, is already spending about £1,500 a week just to heat the swimming pool. That does not include the dry side of its facilities. That is already forcing it to make very difficult decisions about the provision of swimming lessons for our young people.

Robin Millar: The hon. Gentleman is giving a typically thoughtful speech, as we have become accustomed to in the Welsh Affairs Committee, and I thank him for that. I am grateful, too, that he mentions the levels of grants that have been given on an individual basis. Does he agree that they cannot ever be enough to, for example, make up for inflation in house prices in our area, which drives some of the demographic change he referred to

at the start of his speech, and that the only way to see that remedied is with higher wages and more skilled jobs in Wales? Does he share my frustration at the flatlining of the Welsh economy over the last two decades?

Ben Lake: I agree and I disagree. I agree in the sense that I would also very much like to see our economy develop to offer more high wage career opportunities. What I would say, however, is that we need to disconnect the short and medium term from the longer term. I agree with him that there are longer term measures that would entail greater investment. In the short term, perhaps some of the measures we need to look at, as well as direct support, are initiatives such as a social tariff for utility bills. As chair of the all-party parliamentary group on fuel poverty, I am very keen to see that.

To conclude, something plaguing a lot of families in rural areas is the cost of filling up the car. Sadly, Wales is a very car-dependent nation, with some 83% of commutes dependent on private car use. In the long term, we obviously want public transport infrastructure to allow us to wean ourselves from the car. At the moment, however, we are not in that situation. There is both a social and economic factor for rural areas like Ceredigion. The social factor is in terms of the provision of key essential services. District nurses and carers are telling me that they just cannot afford to travel the 400, 500 or 600 miles a week that they need to travel to care for our elderly and in-need residents.

There is a real case for us to re-evaluate the rural fuel relief scheme to encompass more rural areas. That would make sense in the immediate crisis, as there is a need for it, and in the longer term, we might be able to incorporate that into levelling-up objectives, whereby fuel duty could be linked in some way—I admit this would be complicated—to the levels of accessibility to public transport infrastructure. That would be a very good way of moving forward in order to help rural areas proceed and endure the storm.

4.20 pm

Stephen Kinnock (Aberavon) (Lab): It is a real pleasure to follow the hon. Member for Ceredigion (Ben Lake), and I congratulate the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) on securing this important debate.

The people of Wales need answers from this Westminster Government about the cost of living crisis that they are facing right now, because the Conservative Government's response to the crisis has been deeply disappointing. They are out of touch, out of ideas and out of excuses. They delayed bringing in the windfall tax on the energy giants; we in the Opposition had to drag that policy out of them. Meanwhile, they also refused to deliver an emergency Budget and they are the only Government in the G7 who are raising taxes during a cost of living crisis.

Hard-pressed households and businesses need support in these profoundly challenging times. Labour has a plan to tackle the cost of living crisis. We would cancel the national insurance contributions rise, which comes at the worst possible time and will do nothing to fix the Tory's social care crisis. We would cut VAT on home energy bills. We would cut the red tape that has been created by the Prime Minister's botched Brexit and we would implement policies to buy, make and sell more in Britain, particularly through commitments such as the £3 billion green steel fund to support our steel industry as it transitions to net zero.

[*Stephen Kinnock*]

For an object lesson in the difference that a Labour Government in Westminster would make, we need just to look at what the Welsh Government are delivering for Wales. Welsh Labour has delivered a £51 million household support fund, which was announced in December 2021. That package of support is targeted at people who need help the most. The Welsh Labour Government have doubled the winter fuel support payment to £200, which is already helping almost 150,000 people across Wales. Free prescriptions continue in Wales, helping households to keep more of their hard-earned money, whereas prescriptions in England currently cost £9.35 an item. The average band D council tax bill in England is £167 more than it is in Wales, totally undermining the argument made by the hon. Member for Clwyd South (Simon Baynes). Even with the UK Government's council tax rebate, which was just announced, households in Wales still pay £17 less than in England. Wales already has the £244 million council tax reduction scheme, which helps more than 270,000 households with their council tax bills. Some 220,000 households in Wales pay no council tax at all, thanks to the Welsh Labour Government's interventions. The Welsh Labour Government have committed to providing free school meals to all primary school pupils. An extra 196,000 primary schoolchildren will benefit from that offer.

All that has been underpinned by a Welsh labour market that is significantly stronger than the UK labour market. Welsh unemployment levels are lower than those in the UK at 3.5%.

Stephen Crabb: I will challenge the hon. Gentleman on his complacency about the labour market figures in Wales. Yes, in Wales, unemployment—in its narrow definition—is lower than the UK average, with 53,000 jobseekers in Wales, but more than 440,000 working-age people are economically inactive in Wales. That is the major employment and welfare challenge of our time, and the figure is worse than the UK average in a Welsh context.

Stephen Kinnock: Perhaps if the UK Government had a proper industrial strategy that would grow our manufacturing base, rather than having allowed it to go to the wall since 2010, we would be creating high-paid jobs and adding value to our economy and productivity. We face a productivity crisis in this country, created by successive Conservative Governments since 2010.

There has been a strong performance by the Welsh Government, who have made a commitment that

“no one would be held back or left behind...in a recovery that is built by all of us.”

We have seen the creation of the young person's guarantee—the offer of work, education, training or business start-up help for all under-25s—and ReAct Plus, which will provide practical and bespoke employment support as unique as the person looking for work. The ReAct Plus programme will offer up to £1,500 for training, £4,500 to help with childcare costs and £300 for travel costs. Welsh Labour is also investing £8 million to continue employment services, helping people recovering from physical and mental ill-health and substance misuse to get back into work and, crucially, remain in work.

Through the young person's start-up grant, Welsh Labour will invest £5 million to support 1,200 young people to start their own business.

That is what Labour in power looks like: a Welsh Labour Government backing Welsh workers, Welsh families and Welsh businesses to thrive, protecting our people from the worst excesses and failures of this Tory Government, who are letting people down with their incompetence and indifference.

Simon Baynes: Notable by its absence from the hon. Gentleman's list is the performance of the NHS in Wales. Without wanting to score cheap political points, I have to say that there is a major issue there. Waiting lists are massively higher in Wales, particularly north Wales, than in England. Perhaps the hon. Gentleman would like to comment.

Stephen Kinnock: Madam Deputy Speaker, I am sure that you would love to give me another 10 minutes to talk about the achievements of the Welsh NHS, but unfortunately I am not sure that I would get away with it. The fact is that there is a list of achievements. It has invested more in the recruitment of nurses, which is at record levels. The Welsh NHS vaccine roll-out programme was a tremendous success; I recognise that the roll-out has been a success across the United Kingdom, and I am absolutely delighted about that, but the Welsh NHS really stepped up and delivered. There are so many achievements that we do not have time to discuss today, so perhaps the right hon. Member for Preseli Pembrokeshire would like to secure another debate on the topic.

I feel for the people of England and Scotland, who have not had the support that we have had in Wales. The answer is clearly for them and their fellow British citizens across the UK to vote to replace this pitiful, debased and degraded UK Conservative Government with a Labour Government driven by purpose, patriotism and the national interest, rather than the self-interest and saving of their own skin that we are seeing from the current Government.

Liz Saville Roberts: Does the hon. Gentleman join me in welcoming the decision taken by Labour in Wales over the weekend to increase the size of the Senedd? Surely the point is that we need better scrutiny of the services carried out in Wales. Does he also join me in welcoming the major initiative, also agreed to in the vote over the weekend, to change the voting system, moving away from first past the post and towards a list system? It shows that in Wales we can bring about a different sort of politics by working together.

Stephen Kinnock: The reality is that the Senedd simply did not have enough Members to hold the Government to account. There were not enough Back Benchers on Committees. Scrutiny is a vital part of our democracy—the right hon. Lady is right about that point.

Wales faces a UK Government who have broken their promises to the people of Wales. It has become clear that when providing a replacement for EU farm funding, the UK Government are deducting EU receipts due to Wales for work that was part of the 2014 to 2020 rural development programme, meaning that Wales's rural communities are £243 million worse off than they should be. That is a devastating blow to those communities.

The Parliamentary Under-Secretary of State for Wales (David T. C. Davies): Does the hon. Gentleman agree that in the last year for which agricultural funding was calculated, £337 million was spent on agriculture—in 2019 before Brexit—and that in each year afterwards £337 million is being spent? If my figures are correct, Wales has not lost out by one penny as a result of leaving the European Union.

Stephen Kinnock: I thank the Minister for intervening, but these figures are from the House of Commons Library briefing, they have been checked and triple-checked, and the reality is that Wales's rural communities are £243 million worse off than they should be. If the Minister wishes to contest that claim he is welcome to do so, but those are the facts of the matter.

The Government are also undertaking a game of smoke and mirrors around the pot of money being offered to Wales through the UK shared prosperity fund, which, of course, is replacing EU funding. What is absolutely clear is that over the coming decade and beyond—not just the next three years, which is the commitment that the Government have made, but the next three decades—the funding that Wales receives must match the amount that the EU would have given to Wales. Ahead of us now is a cliff edge. We need guarantees that when the £1.5 billion-a-year UK-wide commitment falls away, the £1.5 billion will continue, and I hope that the Secretary of State will confirm that from the Dispatch Box today. This is an issue of long-term planning that supersedes party politics and manifestos. It is about the key stakeholders who are on the coalface of delivering these shared prosperity fund projects. They need much more long-term planning capability than this three-year cliff edge is allowing them.

It is also essential that the Welsh Government are given a real and meaningful say in how these funds are administered. Devolution must be respected, and it is deeply disappointing that the UK Government are seeking to ride roughshod over fundamental constitutional principles, as manifested in the UK shared prosperity fund and the way in which it works.

It is time that the Conservative Government started to take levelling up seriously. Tory inflation and under-investment risk levelling down communities like mine in Aberavon. The decision not to support the Swansea Bay tidal lagoon, as well as the failure to implement the green steel deal that Labour is proposing, has shown a disregard for parts of our country that are desperately in need of investment and development. This must start with a fairer package of funding for Wales, less smoke and mirrors around budgets, and an emergency budget to meet the Tory cost of living crisis.

Let me end by saying that I agreed wholeheartedly with the right hon. Member for Preseli Pembrokeshire when he said he objected to the “older, sicker, poorer” narrative. We are a proud people: a proud, dynamic, entrepreneurial, innovative people. We are not victims and we are not looking for charity, but we need a level playing field, and that level playing field can only be delivered by a UK Government in Westminster—a Labour UK Government, delivering in partnership with the Welsh Labour Government for the people of Wales.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. I remind Members that we have just two more speakers before the winding-up speeches, and that anyone who has taken part in the debate should come back for those. We also have two more bits of business after that, so I ask Members please to show some time restraint.

4.32 pm

Jessica Morden (Newport East) (Lab): It is a pleasure to follow my hon. Friend the Member for Aberavon (Stephen Kinnock), who made an excellent speech. I shall be speaking in a similar vein. I am also grateful to the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) for securing the debate, along with the Welsh Affairs Committee, which pressed for it to take place. I greatly miss being a member of the Committee, which does valuable work, not least in sending us copies of the Library briefing for today's debate. That briefing confirms the decrease in funding for Wales's final budget, which was disputed earlier by some Members.

In fact, the Welsh Government's budget over the next three years is likely to be worth at least £600 million less in real terms because of higher than expected inflation. With the outlook for inflation, economic growth and additional funding looking bleak, the spending power of the Welsh Government is likely to deteriorate further, which is why they have called on the UK to update its settlement. As other Members have pointed out, we are also set to lose more than £1 billion of vital EU funding, with the UK Government failing to honour their 2019 election pledge to replace and

“at a minimum match the size of”

EU structural and investment funds.

Against that backdrop, the Welsh Government face even more pressures in seeking to address the cost of living crisis, which should be a priority for all Governments in the UK. However, even in these hard times, the Welsh Government are trying their hardest with what they have at their disposal to help households that are struggling to get by—unlike the UK Government, who are out of ideas and out of touch with what people are really going through; refusing, as others have said, to bring in an emergency budget; and raising taxes during a cost of living crisis.

After Ofgem announced increases to the domestic energy cap, Rebecca Evans, the Welsh Finance Minister, set out a £330 million cost of living package of support, which goes beyond that announced by the UK Government. The Welsh Government provided the £150 cost of living payments to all households in council tax bands A to D and expanded the support to those in higher bands in receipt of council tax reduction. As other hon. Members have said, this included free school meals throughout the Whitsun and summer holidays, and additional funding for the winter fuel support scheme for 2022-23 will ensure that the scheme can once again provide people on low incomes with a non-repayable £200 cash payment towards their energy bills later in the year. That is on top of the Government's £200 rebates on bills from October.

The average band D council tax bill in England is £167 more than it is in Wales. Even with the stuff that the Government have brought in recently, we pay £17 less in Wales. As has been said, we have a Labour Administration in Wales who are really serious about supporting the public through this perfect storm of

[Jessica Morden]

rising costs. They stand in stark contrast to this Government and a Chancellor who had to be dragged kicking and screaming into introducing a windfall tax on oil and gas profits to partly fund cost of living support for households.

As the right hon. Member for Preseli Pembrokeshire mentioned, the cost of living crisis in Wales has been made worse by the shortcomings of the benefit system. In its March report, the Welsh Affairs Committee rightly identified that current benefit levels are inadequate and called for an urgent review of the Government's cruel decision to end the £20-a-week universal credit uplift, as well as a re-evaluation of policies including the five-week wait, the benefit cap, the two-child limit, the bedroom tax, the shared accommodation rate of universal credit for under-35s and the freeze of the local housing allowance rate at March 2020 levels. Everything on that list is relevant to today's debate, and I would add to it the lower rate of universal credit for under-25s. That has caused hardship for many constituents, with housing associations in Newport East reporting under-25s spending all their universal credit on utility bills and having nothing left for food. It is worth pointing out that cuts to universal credit and working tax credit will take around £286 million out of the Welsh economy, with more Welsh families being hit proportionally harder.

I mentioned the loss of EU funding earlier. The loss of £243 million in rural funding and the £772 million shortfall in EU funding is likely to mean the loss of £1 billion of vital funds. The Minister will be aware of the considerable scepticism that exists around the shared prosperity fund. The Welsh Government have also voiced concerns that the fund will redirect economic development funds away from areas where poverty is most concentrated. My hon. Friend the Member for Rhondda (Chris Bryant) also made that point. This is a missed opportunity to ensure that funding reflects the distinct needs of Welsh communities. The fact that the Welsh Government have been totally ignored in the decision-making functions around the fund appears to be a deliberate attempt to undermine the principles of devolution, as referenced by the Public Accounts Committee in its report.

There has also been frustration with how the levelling-up fund has operated in practice. Only three of the 10 successful Welsh bids for the first round of the fund came from south Wales, and none from Gwent. I urge the UK Government to put this right in the second round and to look carefully at bids such as the one for the regeneration of the town centre in Caldicot, which has cross-party support. Sixteen local authorities in Wales did not benefit from the fund at all in the first round, and it would be interesting to hear what Ministers are doing to address that.

On rail, Wales has 11% of the UK rail network but receives only 2% of rail enhancement funding from the Government. We are now set to miss out on billions of pounds of consequential funding from HS2.

On police funding, no area of the UK has been safe from damaging Tory cuts, but Ministers in this place have shown no recognition of the specific challenges facing Welsh police forces. For example, no Welsh force receives national and international capital city grant funding. That is relevant to Gwent police in my area and that of the Under-Secretary of State for Wales, the hon. Member for Monmouth (David T. C. Davies),

which needs to draw on additional resources to support events in Cardiff in the neighbouring South Wales police area, as well as at the international convention centre and Celtic Manor in the constituency of my hon. Friend the Member for Newport West (Ruth Jones).

Similarly, Welsh forces have not been able to utilise their apprenticeship levy contributions in recent years, and they currently pay around £6 million a year more than their English counterparts towards the training of officers. That issue has been raised before in this place, including by my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), but Ministers have—

David T. C. Davies: Will the hon. Lady give way?

Jessica Morden: I will not, on this occasion, because another Member wishes to speak and hon. Members have intervened many times during the debate.

As I was saying, Ministers have incorrectly attempted to pass the buck on to the Welsh Government for that issue. It is not a devolved issue, and it is time Ministers took some responsibility.

There are additional strains on finances that Welsh police forces just do not need, especially when we consider that the headline £5.2 million of extra grant funding for Gwent in the police grant report published earlier this year is effectively written off to fund the long-term costs of the final tranche of the police uplift programme and the 1.25% increase in national insurance contributions. The UK Government continue to leave police forces in Wales to fend for themselves rather than funding them properly.

Finally, it is worth remembering that Government Members have voted to cut the £20 universal credit uplift, voted against free school meals for children during school holidays, voted for an increase in NI contributions and voted against a windfall tax. That is the record they stand on as we debate this estimate.

4.41 pm

Christian Matheson (City of Chester) (Lab): May I say what a pleasure it is to follow my hon. Friend the Member for Newport East (Jessica Morden)? I also congratulate the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) on securing and leading this debate.

When I rise to speak in any debate on Welsh affairs, I suspect that Members can predict straightaway what I will talk about. Sure enough, there are no surprises from me today: I will speak about Chester's place at the heart of the transport links for all of north Wales. We are debating Welsh economic growth, and the railway network around Chester is central to what Members across the House hope to achieve in north Wales. The hon. Member for Clwyd South (Simon Baynes) spoke about the dislocation that north Wales sometimes feels from the south. That is something that I hear, too. By improving connectivity in north Wales through Chester, we could certainly minimise that.

Chester is the gateway to north Wales, with lines heading down to Shrewsbury through Chirk and Gobowen, down to Wrexham and further on that way, and along the beautiful north Wales coastline. I see the hon. Member for Aberconwy (Robin Millar) in his place. He spoke earlier about Conwy castle, which is a fantastic

day out on the train from Chester. I went crab fishing on the quayside there as a child, and I took my children there when they were younger. That railway line is also an economic artery, linking up with the ferries coming in from the Republic of Ireland, and it absolutely needs upgrading.

The central element is the Growth Track 360 proposals that are being put together with the Mersey Dee Alliance, which covers the cross-border area, as well as the local authorities, the North Wales Economic Ambition Board and the local enterprise partnership on my side of the border. The proposals will increase signalling and platform capacity at Chester and allow for through services from north Wales to Manchester and Liverpool. The Government have a good story to tell on those Liverpool services, because they opened the Halton curve to allow through trains from Liverpool. However, because of the continuing restrictions on the north Wales coastline, the number of direct services from Liverpool through to north Wales is restricted. Can we please have some more oomph from Ministers in the Wales Office and the Department for Transport, working with Transport for Wales, so that we get confirmation that the work will go ahead in Chester and its station to increase capacity, and to increase train frequency along the north Wales coastline to five an hour, given the full benefits that that will bring to north Wales?

That would tie in neatly with something I have been pushing for since I was first elected: the electrification of the line from Crewe to Chester. There is something of a bottleneck at Chester, and there are restrictions. We keep being promised that that last 20 or so miles will be electrified, but the promises seem to be disappearing further into the distance. This work is essential, particularly if we are to get the full benefits of High Speed 2 in Chester and on into north Wales. The Minister has been very supportive of the electrification, and I believe that the Secretary of State has visited the area and is aware of the issue. If north Wales is to get the full benefit of HS2, we need to get further forward with electrification.

A lot more immediate than HS2 is the issue of through services from north Wales to Chester and on to London Euston. We used to have 12 such services a day, but it was reduced to one a day. We are now supposed to be grateful for an increase to two a day—a doubling of the service. The railway companies are telling us that there will be an increase to 14 direct services a day between London and Chester, with a majority of those going on, along the north Wales coastline, to Bangor, Llandudno and Holyhead. We absolutely need the Government's support, through the Department for Transport and the Wales Office, and that of Transport for Wales, to nail this down. We need those direct services, and I would be grateful if the Minister gave the issue attention.

The hon. Member for Clwyd South and I had an exchange about levelling-up bids. My constituency is not bidding in round two, not because the local authority, Cheshire West and Chester, lacks ambition—it absolutely does not—but because the bids take up a lot of officer time and office resources. There is something of a beauty contest here, and hard-pressed local authorities do not necessarily want to gamble on getting bids approved. However, I am pleased to support Flintshire County Council's bid for the Borderlands line. That will benefit his constituency, as well as the constituencies of my right hon. Friend the Member for Alyn and Deeside

(Mark Tami), and my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders), as well as Chester.

Although it lies outside the boundaries of my constituency, a new station at Deeside will absolutely help the western side of my constituency. It will also help the Deeside industrial area, in which there are 26,000 jobs, to grow even further. It is immediately outside Chester, in north Wales. A station there would provide additional connectivity with Liverpool and Wrexham. If the bid is successful, it will also allow more trains on the Chester to Wrexham line, which will help Wrexham to grow, because it will allow for railway sidings at the Hanson cement works. The way trains are manoeuvred around at the moment requires space on that line, as there are limits on the number of trains that can pass. Again, the Government have a story to tell on this: I think I am right in suggesting that the track from Chester to Wrexham has been doubled since 2010, so the Government are not getting the full benefit of an investment for which they can claim credit. Let us allow this bid, which I support; let us get the developments on the Borderlands line sorted; and let us allow real regeneration in Chester and, of course, north Wales.

4.48 pm

Richard Thomson (Gordon) (SNP): It is a pleasure to speak in this debate on Welsh estimates, and to congratulate the right hon. Member for Preseli Pembrokeshire (Stephen Crabb) on a fine speech. I thought my good friend the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) was slightly unkind to tease him by saying that Yes Cymru would put it on YouTube, but I am sure that the Secretary of State will provide more than enough ammunition on that front in his summing up—I hope he does not disappoint.

I have remarked before in debates about Wales on the ambitious policy programme of the Welsh Government, and the package of measures that they are taking forward to reinforce the foundations of society in Wales and create a modern, prosperous, socially just, confident and inclusive modern European nation. I noted the plea from the hon. Member for Aberavon (Stephen Kinnock) for everyone to plight their troth to the Labour party. We in Scotland are quite happy with where we are with our SNP-Green coalition in Holyrood, and with our contingent down here. In Cardiff, there is obviously a coalition of ideas, if not in Government. It seems to be only in Westminster, where there is a single-party Government with a thumping majority, that dysfunction reigns. If there is a coalition of chaos anywhere in these islands, it seems to be in the Conservative and Unionist party, as it tries to stagger forward coherently from one week to the next.

While I was preparing my speech, I saw the Welsh Government's annual report for 2022; it came hot off the presses today, in fact. I hope to have a chance to browse it later. It is due to be debated in the Senedd later this month. It reports on the Government's 10 objectives. Some of the themes that leapt out of it will not be surprising or indeed unfamiliar from the Scottish perspective, particularly the need to tackle post-pandemic issues in the health service, which are common; protecting, rebuilding and developing services, particularly for vulnerable people; the urgent need to build an economy based on the principles of fair work and sustainability;

[Richard Thomson]

embedding a response to the climate emergency in all that we do; and leading the broader civic conversation about how we wish to be governed, what we want our institutions of government to look like and what our place in the world should be. None of those things, particularly the last, should be under-looked as key components of building back better, especially when it comes to ensuring that we take the right actions and, just as importantly, have the right tools to tackle the cost of living crisis.

At the beginning of 2022, Wales had the highest poverty rate of the four nations, with almost one in four people living in a measure of poverty and 14% of Welsh households—nearly 200,000—living in fuel poverty in October 2021, which was prior to the price cap increase. I pay tribute to the hon. Member for Ceredigion (Ben Lake) for all his work on this issue and on fuel oil. I tried my luck on the subject at Welsh questions, just minutes before the Chancellor made his spring statement; I asked the Secretary of State—very much in the hope of getting a sneak preview of what might be coming in a few minutes—what discussions he had had with the Chancellor about the Government's plans in this area to tackle the cost of living crisis. I was told to wait and see. So I waited and I saw. The Secretary of State said that, as a heating oil customer himself, he also suffered from this problem. Indeed, I probably know more about the Secretary of State's domestic heating arrangements than I do about how the Chancellor plans to tackle the issue for homeowners who are in that group.

However, it is not just homeowners who are under the cosh. Fuel poverty is a key driver of in-work poverty. Nearly 400,000 households in Wales are on universal credit or legacy benefits, and nearly 40% of those in receipt of those benefits are in employment. That problem is clearly not confined to Wales, but it is a depressing statistic, and one that is pretty damning of the UK Government's policies over many years. In the St David's day debate this year, I remarked that the UK was one of the most geographically divided countries in the OECD when it comes to economic performance. Beyond the political knockabout, there are some deep-rooted structural reasons for that. There is a history of de-industrialisation, and a real imbalance in research and development funding; London and the south-east Hoover up 54% of the total R&D spend in the UK, whereas the equivalent figure in Wales is only 4%.

For a country where prosperity has traditionally been based on what it can manufacture and export, it has been a significant blow to Wales to be taken out of the single market. With Welsh exports to the EU accounting for some 60% of its total exports, compared with just over 49% for the UK, it is a particular blow that neither major UK party represented in this place now supports being in that market.

The Office for Budget Responsibility has calculated that under the trade and co-operation agreement, the trading arrangements between the UK and the EU are set to reduce UK productivity by 4% in the long run relative to where we would have been had Brexit not happened. With those headwinds, it is absolutely imperative that there is some kind of silver bullet—some dynamic initiatives—that might help us to overcome those disadvantages with which we have been saddled.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The hon. Member's contribution is very good, and it actually rings a bell with me. In years gone by, were not the sheer rurality and distance factors in both Scotland and Wales tackled by the European Community's objective 1 structural funding, which was carefully calculated to assist those areas that had the biggest disadvantage? The challenge for the UK Government is to try to do something similar—if they ever will—to what the EC used to do for us.

Richard Thomson: The hon. Member makes an excellent point. I remember well the benefits that were brought to the highlands and islands, part of which he represents, through objective 1 funding. The fact that the money came direct, bypassing London, gave us an assurance that the money would actually be spent in those areas. I am not certain that we could have had the same confidence in the UK Government in office at the time. The hon. Member and I differ on certain things in politics, but I think we might be able to make common cause on that.

The hon. Member leads me neatly on to levelling up. The Welsh Economy Minister, Vaughan Gething, has stated that Wales is set to lose some £750 million over three years, compared with the situation that would have pertained had the UK remained in the EU. I heard the plea and the earnest hopes from the hon. Member for Aberconwy (Robin Millar) that, somehow, Wales might be able to do better with less when it comes to that funding shortfall. I certainly applaud the ambition, but surely there can now be no doubt that there is a deficit of funding, relative to what it would have been, and that will be problematic when it comes to delivering projects. I see that even in my area of Aberdeenshire in north-east Scotland.

We could look at freeports. There are opportunities there for sure, but Stena notes that in the ports of Holyhead, Fishguard and Pembroke, traffic is down 30% on the pre-pandemic period. It will take significant activity around our freeports to compensate for that loss of economic activity in the ports, and resulting from that reduced traffic.

I could go on to talk about fair funding and how HS2 has conveniently been placed outside the brackets for Barnettisation, but I come back to the points that the right hon. Member for Preseli Pembrokeshire was making about offshore wind. I welcome his comments about the benefit that ScotWind promises to bring to Scotland.

As the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) said, Crown Estate devolution can play a major role in making sure that all the pieces that the right hon. Member for Preseli Pembrokeshire talked about are brought together strategically, so that we get all the supply chain spin-offs. It is, I would say, a fairly conservative argument that the Government should bring policy and resources into alignment, so that we get the best possible outcome and transparency—not just transparency of Government, but transparency in how we spend public cash. I cleanse the palate by saying that, to me, true devolution is empowering Government to act in that way in Wales and Scotland. That is preferable to bypassing devolution, as the United Kingdom Internal Market Act 2020 did to get around the fact that the Conservative party does not seem able to win elections in Scotland or Wales. It instead seeks to allocate resources without going to the trouble of winning elections in those areas.

4.58 pm

Jo Stevens (Cardiff Central) (Lab): I thank the right hon. Member for Preseli Pembrokeshire (Stephen Crabb), Chair of the Welsh Affairs Committee, for securing this debate and for his excellent chairship of that Committee, which does valuable work for all of us in Wales. I also thank all Members who have contributed to the debate. We have had a number of wide-ranging contributions. This debate must be set in the context of the current economic climate. After 12 years of Conservative Government, with help from the Liberal Democrats for five of those years, we have a high-tax, low-growth economy, with the country suffering the biggest drop in living standards since records began and the highest tax burden since world war two.

The reality is that the Welsh Government's budget over the spending review period we are discussing is, as has been mentioned, likely to be worth at least £600 million less than it was when it was first announced last autumn, because of that rocketing inflation. As my hon. Friend the Member for Newport East (Jessica Morden) said, the outlook for inflation, economic growth and any additional funding looks very bleak indeed. The spending power of the Welsh Government's budget is therefore likely to deteriorate further. That is why the Welsh Labour Government have called on the UK Government to update their settlement to reflect the significant impact that inflation is having on important budgets being spent in Wales.

If we look at the UK Government's record, leaving aside for the moment the squalid nature of the lawbreaking, the sleaze and the U-turns happening day after day, what stands out on spending is that they make many promises and deliver on very few of them. They have made promises to Wales and they have broken them.

Let us start with the explicit manifesto promise in 2019 that Wales would not be a penny worse off when it came to post EU membership replacement funding. We have heard a lot about that today. The Secretary of State and his colleagues have repeated that promise over and over again, but the facts are that Wales is set to lose more than £1 billion of vital funding.

My hon. Friend the Member for Aberavon (Stephen Kinnock), in a tour de force of a speech, went into detail about where the shortfall is placed; it is through the shared prosperity fund, the community renewal fund and the cut to Welsh rural communities. All of that adds up to more than £1 billion less than the Government promised. That is a broken promise to the people of Wales.

David T. C. Davies *rose*—

Jo Stevens: No, I think the hon. Gentleman has had plenty of interventions today. I will carry on because we are quite short of time.

As for the levelling-up fund, only six Welsh councils saw any benefit from the first round of the fund and just one of them was a Labour council. I will just leave that there, but I wonder why that was. The second round of applications to that fund has been delayed because the Government have not been able to get their application portal ready in time for the original deadline. They cannot even get the basics right on this.

The Government are using the UK Internal Market Act, as we have heard, to take decisions in devolved areas, excluding the Welsh Government from a transparent process of joint decision making for the shared prosperity fund. They are imposing a methodology on Wales for how those limited funds are decided on, which results in money being distributed away from the poorest areas in Wales. The Conservatives refused to countenance the Welsh Government's alternative funding formula, which would have distributed money more fairly across Wales according to economic need. Let us be clear: this is a far cry from the rhetoric of levelling up and protecting the Union. It is this Prime Minister and this Government who are the greatest threat to the Union.

Turning now to infrastructure funding for Wales, I know the Secretary of State will not like this, but I am again going to raise the classification of HS2 as an England and Wales project by his Government. A £4.6 billion Barnett consequential is not going to Wales. I know he is tired of hearing about it, but it is not just me saying it, or even just Labour. The right hon. Member for Preseli Pembrokeshire, Chair of the Welsh Affairs Committee, agrees. His entire Select Committee agrees in its report. The leader of the Welsh Conservatives agrees—or is the Secretary of State the leader of the Welsh Conservatives? I do not think anybody is really sure.

The Treasury's rules for evaluating infrastructure projects do not work in the interests of Wales, but have prioritised infrastructure projects in the south-east of England. Costs for HS2 and rail enhancement are allocated to Wales, but none of the benefits apply. In fact, HS2 explicitly disadvantages south Wales. The analysis of the Secretary of State's own Treasury colleagues confirms that HS2 will result in an economic disadvantage to Wales of about £150 million every year. Because rail infrastructure is not devolved beyond the core valley lines, Wales, unlike Scotland and Northern Ireland, gets a double whammy: no £4.6 billion consequential and an annual economic hit. We have heard that there will be no mainline electrification in north Wales. Mainline electrification from Cardiff to Swansea was promised and then abandoned by the Conservatives. About 2 million tonnes of steel will be used across HS2, but Transport Ministers have confirmed that there is no target for the use of UK steel or Welsh steel in HS2 construction. This is such a missed opportunity for Wales, for Welsh steel jobs and for the people of our steel communities. The Government have got this all wrong and Wales is, literally, paying the price.

This does not just affect transport infrastructure. There are knock-on effects across climate change targets—the need for greater use of public transport and more active travel, with the consequential effects on health and wellbeing—and, critically, on narrowing the economic inequality that Wales suffers compared with other parts of the United Kingdom. As my hon. Friend the Member for Cynon Valley (Beth Winter) said, the truth is that this Government are holding Wales back. They are making decisions that take money from the people who can least afford it. The Conservatives voted to cut the £20 universal credit uplift, voted against free school meals, voted to increase tax during the cost of living crisis, and voted against a windfall tax, until they had to do a screeching U-turn forced by Labour. What is the Prime Minister's response to the cost of living crisis? We hear today that he has invited the First Ministers of

[Jo Stevens]

Wales and Scotland to a summit in the autumn—so more delay and more inaction while he focuses entirely on saving his own skin.

Contrast that with what the Welsh Labour Government have been doing, taking decisions that support households in greatest need to mitigate the worst impact of those Conservative Government decisions. The Welsh Government have invested more than double what they have received in consequential funding from the UK Government to support households with the cost of living crisis, and that support has been targeted at those who need it most. About 75% of households are expected to be supported in some way, and nearly twice as much will go to households in the bottom half of the income distribution compared with those in the top half. My hon. Friends the Members for Aberavon, for Newport East and for Cynon Valley spoke about all the measures that the Welsh Labour Government have been taking to help families and businesses in Wales. I would add these to the list: during the pandemic, businesses in Wales were able to access the most generous support package anywhere in the United Kingdom; and through Jobs Growth Wales Plus, over 19,000 young people have been helped into good-quality, meaningful employment across Wales. This is what a Labour Government in Wales deliver, solving the problems the Conservative Government have created.

A UK Labour Government will build a stronger, more secure economy, working hand-in-hand with the Welsh Labour Government for the benefit of everyone in Wales. We will get the cost of living crisis under control and make the whole of Britain more resilient, more secure and more prosperous, laying the foundations for a thriving, dynamic economy.

5.7 pm

The Secretary of State for Wales (Simon Hart): I join the chorus of compliments directed at my right hon. Friend, and neighbour, the Member for Preseli Pembrokeshire (Stephen Crabb) for his part in this debate and, indeed, in chairing the Welsh Affairs Committee, which he does with absolute skill and aplomb. I was struck by a few points he made. He referred to the inflationary pressures that are on the UK at the moment being a global phenomenon, rather than a UK-based or even a Wales-based one. He mentioned the Opposition's claims about underspend or underfunding, which seemed to vary according to which speaker was on their feet, with one or two Labour Members referring to £1 billion and others from the SNP referring to £700,000. It seems that they cannot even agree among themselves exactly what their line of attack is.

I was particularly struck by my right hon. Friend's comments about the Crown Estate and devolution. Having had many meetings with the Crown Estate, a number of stakeholders and potential investors who were floating offshore wind, I am as excited as he is by the prospect of some 10,000 of the 29,000 jobs that might be associated with this scheme coming to Wales. Of all the potential investors, and many of the local supply chain businesses that we will rely on, not a single one has ever mentioned to me that their opportunities would be enhanced by devolving the Crown Estate. [Interruption.] If the right hon. Member for Dwyfor

Meirionnydd (Liz Saville Roberts) does not like what I say, perhaps she might trust some of the people who have real expertise and who are really optimistic about bringing well-paid, skilled jobs to Wales. It is they whom we should be listening to, rather than necessarily a separatist movement.

Liz Saville Roberts rose—

Simon Hart: I will keep pressing on, because we do not have a lot of time. My old friend and neighbour, the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), and I have had this exchange about separatism versus Unionism many times, but until such time that he can explain to me why it is apparently essential for the future of Wales that we leave the UK, while simultaneously apparently just as essential that we rejoin the EU, I will never be able to take his economic lectures as seriously as I know he would like.

My hon. Friend the Member for Aberconwy (Robin Millar) made a telling contribution about tourism and hospitality, particularly along the north Wales coast, and demonstrated his strong advocacy as far as a low-tax economy is concerned.

If the ambition of the hon. Member for Cynon Valley (Beth Winter) is to wind me up, she does it remarkably well, whether in the Welsh Affairs Committee or here. In her praise for the performance of the Welsh Government, it was telling that there was no reference to health outcomes or educational outcomes in Wales. It was also telling, as I challenged her last time about this, that she never mentioned the fact that I would love to join her in a letter to the First Minister suggesting that the £96 million-worth of extra Members of the Senedd that she advocates for so passionately instead be spent on job creation in the Cynon Valley. My offer is still open to her. That would be a better use of the funds we are talking about.

My hon. Friend the Member for Clwyd South (Simon Baynes) made an interesting contribution about the geographical spread of the shared prosperity fund, referencing joint bids between local authorities and the new opportunity for MPs across the House to endorse or contribute to the bids. I thought his point about the Union relevance of infrastructure—we could quote any number of examples, whether road or rail—was telling and important.

Turning to the hon. Member for Ceredigion (Ben Lake), all I can say is that he made, as he often does, a measured and sensible contribution around the rural fuel relief scheme, and my pledge from the Dispatch Box is to talk to him and his colleagues further about how we can tackle that problem.

The hon. Member for Aberavon (Stephen Kinnock) put in a strong case for sycophantic speech of the year. That was a great effort. He went all-in on tax rises, but did not mention that the two most recent contributions of Labour in Wales on tax were introducing a tourism tax, which is widely considered to cripple tourism in Wales—that was not mentioned; I cannot think why—and the latest ruse about a deposit return tax, which would damage, for example, a number of vineyards in Wales. His long list of, basically, free stuff to anybody would not have been that long if the Welsh Government were responsible for raising that money, either by private taxes or by business taxes. He never mentioned that.

I wonder whether this obsession with free stuff would be so easy if there was some accountability about raising the cash in the first place.

Nearly finally, there was more in the speech of the hon. Member for City of Chester (Christian Matheson) about which we agree than disagree—I am not sure how pleased he will be about that. We have a closely shared ambition on Union connectivity, and I absolutely agree with the significance he attaches to that. We might have a different means of reaching that particular objective, but I agree with him, and I would like to have further conversations with him and colleagues in the north Wales area to see where we can take that.

Finally, with the speech of the hon. Member for Gordon (Richard Thomson) from the SNP, I almost reached a new record, as it contained nothing upon which we agreed. That is not to be in any way critical. He illustrated to me how separatism and nationalism—whichever description he would care to attach to his particular political party—would be one of the most significant threats to Wales that I can think of, were it ever to be deployed in our country.

I want to finish, with huge thanks to you, Mr Deputy Speaker, my right hon. Friend the Member for Preseli Pembrokeshire and other contributors to the debate. We are in danger of painting a gloomier picture than we need to—of course, we have to be realistic—if we listen to the expectations for Wales of the hon. Member for Cardiff Central (Jo Stevens). As Airbus recently demonstrated, Wales is a fantastic place to invest vast sums of money and create hundreds of new highly skilled jobs—there are many such examples, large and small, across the whole country. People are looking to us in Government, and the hon. Lady in Opposition, to create the circumstances to make that possible. We can do that. It is not without its challenges—nobody, from the Chancellor down, is suggesting for one minute that it will be an easy ride—but I urge the hon. Lady to join us in our endeavour to make sure that levelling up is the success that it deserves to be.

Devolution in its truest sense is about involving the widest number of people with expertise across the whole geographical area of Wales. The great thing about the levelling-up fund is that, for the first time ever, it does exactly that. It reaches into local authorities and local communities across the length and breadth of Wales. That has never been done before, and it is revealing that the Welsh Government were advocates of devolution, as we heard from the hon. Member for Aberavon, until such time as we said, “Yes, that’s a good idea. Let’s involve some more people. Let’s involve people who have hands-on daily experience of the pressures facing

their communities where deprivation is at its most acute”—that is what we are attempting to do.

It seems odd that Labour in Wales is so paranoid and disrespectful of local authorities, some of which wear the same political colours. For some inexplicable reason, Labour Members seem nervous of allowing devolution to extend beyond the Cardiff postcode. We do not believe that; we trust local authorities, stakeholders and universities—all those people who make our economy and our society tick. That is why levelling up will be a success. If it was simply a means of transferring a postcode from SW1 to CF16 or whatever it might be, it would be a failure. The Welsh Government need to stop being so paranoid and join the endeavour to level up Wales in the way that they have failed so spectacularly to do for 23 years.

Mr Deputy Speaker (Mr Nigel Evans): With the leave of the House, I call Stephen Crabb to wind up.

5.17 pm

Stephen Crabb: With the leave of the House. It is apt to see you in the Chair, Mr Deputy Speaker, given your Welsh heritage.

Again, I am grateful to the Backbench Business Committee—the Chair, the hon. Member for Gateshead (Ian Mearns), is in his place—for selecting this topic for debate this afternoon. I thank all the participants, who have made it a thoughtful, intelligent and engaging debate. We have covered a lot of ground and we have covered many different subjects well. We have disagreed well and we have exchanged some important ideas about the future of Wales. I hope that people watching the debate will have seen that one thing that unites Members on both sides of the House is that we are Members of Parliament for Welsh constituencies who share a love of Wales and a deep love and connection with our communities. We all want the best for our communities in Wales.

Finally, in the next Parliament, the number of MPs from Wales will be significantly reduced, so it will become even more important to have more opportunities on the Floor of the House to debate issues for Wales. Many other parts of the country are fighting hard for resources and we must do our bit in Wales to fight harder in future.

Very finally, I thank again the Clerks of the Welsh Affairs Committee and their team of staff who do a simply superb job to support the work of the Committee.

Mr Deputy Speaker: I love “finally” and “very finally”.

Question deferred until tomorrow at Seven o'clock (Standing Order No. 54).

DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Action on Climate Change and Decarbonisation

Motion made, and Question proposed,

That, for the year ending with 31 March 2023, for expenditure by the Department for Business, Energy and Industrial Strategy:

(1) further resources, not exceeding £68,942,475,000, be authorised for use for current purposes as set out in HC 396 of Session 2022-23,

(2) further resources, not exceeding £12,398,837,000, be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £31,481,483,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Lee Rowley.*)

Mr Deputy Speaker (Mr Nigel Evans): I call the Chair of the Environmental Audit Committee.

5.19 pm

Philip Dunne (Ludlow) (Con): I add my thanks to the Chair of the Backbench Business Committee, the hon. Member for Gateshead (Ian Mearns)—it is good to see him in his place—and the members of his Committee for agreeing to the proposal from me, the Chair of the Business, Energy and Industrial Strategy Committee, the hon. Member for Bristol North West (Darren Jones), together with my right hon. Friend the Member for Kingswood (Chris Skidmore) and my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami), who respectively chair the all-party parliamentary groups on the environment and on renewable and sustainable energy. I thank them for supporting the opportunity to have this debate to discuss the Government's spending plans for action on climate change and decarbonisation.

This is a timely day for the debate, not least given the publication last week of the Climate Change Committee's annual progress report to Parliament for 2022. The Environmental Audit Committee—it is good to see members of my Committee in the Chamber, and I hope they will have an opportunity to catch your eye during this short debate, Mr Deputy Speaker—will be discussing the report in more detail with the chair of the CCC next week, but its headline message is unarguable. There are major gaps—some might say failures—in the programmes designed to deliver the UK's climate goals, and I am sorry to have to say that.

I sympathise with my hon. Friend the Minister who will be responding to this debate. Russia's invasion of Ukraine has disrupted energy supplies and enormously exacerbated the demand pressures as economies recover from the pandemic. However, the scale of the current geopolitical crisis and the shock it has delivered to global energy markets clearly requires rapid recalibration of his Department's strategy. That is not the topic of this debate, so I shall not refer to it in detail, but the cost of living crisis, to which the current price shock has contributed, is affecting us all, and the House will have an opportunity to discuss the Government's legislative proposals on that issue later. This provides an important backdrop to the House's consideration of the priorities for Government expenditure. There is a cost of living crisis that is making daily life extremely difficult for all of our constituents, including the most vulnerable.

Caroline Lucas (Brighton, Pavilion) (Green): The right hon. Member is talking about the recalibration that is needed in the Department. Does he agree with me that one area where that is extremely true is the need for a proper home insulation programme? We have never seen this Government get that right, in spite of the £11.7 billion allocated to the energy bills support scheme, which is of course welcome. What we need is a proper home insulation programme—street by street, local authority-led—and we still do not have it.

Philip Dunne: The hon. Lady makes a very important point, and she made a strong contribution to our Committee's report on the inquiry into the energy efficiency of existing homes. I will comment on that in my remarks, but I broadly agree with her.

It is right that the Government do what they can to align their spending priorities to support all those who are being squeezed, but as the CCC reminded us last week, we are also in a future of living crisis. Large-scale changes in climactic conditions are undeniable, and they have the potential to make parts of the globe uninhabitable, provoking a crisis of barely imaginable severity. So it is entirely appropriate, in Net Zero Week, that the House consider in a little more detail the spending that the lead Department on net zero is proposing in the current financial year to tackle climate change and to address decarbonisation of the economy.

In October 2021, just before the COP26 conference in Glasgow, the Government produced their net zero strategy. This is an ambitious document, ranging widely across all areas of Government. It presents the first wide-ranging plan across Government to build on the initial 10-point plan for the green industrial revolution, which the Prime Minister presented in November 2020. It demonstrates that the Government are in the business of climate mitigation and climate adaptation for the long term. I would argue that there is broad consensus across the parties in the House that this has to be the direction of travel. It also reflects the broad scientific consensus that the planet is under threat from climate change as never before in recorded history, and that our behaviour must change in certain ways if we are to be able to avoid the worst effects. However, my concern is that the Government's strategy seems, in too many areas, to defer substantive action and to leave real expenditure to a future date—and, dare I say it, possibly to a future electoral cycle. The warning from the Committee on Climate Change last week surely demands that more immediate action is taken to achieve the Government's priorities and net-zero ambition.

My Committee had an interesting exchange last week with my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs. He disagreed with the thrust of the CCC's conclusions, which he thought did not make sufficient allowance for the potential contribution of technology to mitigation of the climate crisis. That is a perfectly reasonable debating point. Indeed, our Committee has looked at a number of technologies that can play their part in achieving our net-zero ambition. However, I say gently to those on the Treasury Bench, that waiting for the right technology to turn up is not a strategy.

The Committee has been looking at potential solutions to help decarbonise the economy, from tidal power to offshore wind—there is significant emphasis on that in

the Government's strategy—and heat pumps, where there is ambition, but currently a significant gap in delivery. As the Secretary of State for Business, Energy and Industrial Strategy, and the Minister for Energy, Clean Growth and Climate Change will know—we wrote to them about this—the current state of development of negative emissions technologies does not promise a “silver bullet” from carbon capture and storage plants, which by 2050 will snatch carbon from the air and allow us all to go on as before. It is simply not there yet.

The Chancellor's spending review last autumn gave a breakdown of the Government's expected expenditure on net-zero measures in each year to 2024-25. In total, the Government plan to spend £25.6 billion on net-zero measures over that period, with £5.5 billion to be spent in the current financial year—subject, of course, to the House's approval of these spending plans tomorrow. There are concerns about how effective that spending will be, and the Public Accounts Committee has recently been critical about the overall funding of the net-zero transition. The House is right to be concerned about the value for money of such approaches, and I commend the National Audit Office for its detailed and expert analysis of the Government's plans.

The excellent briefing on the Department's estimate, produced by the House of Commons Library for this debate, indicates that £21.8 billion—20% of the Department's budget for this year—is dedicated to reducing UK greenhouse gas emissions to net zero. I do not include in that figure the £11.6 billion for the reduction in energy bills announced as part of the Government's measures to address the cost of living crisis. Although the Government list that as a measure contributing to the net-zero target, I do not think that short-term energy bill reductions should be treated as a net-zero measure, unless somehow they are linked to fossil fuel reduction measures more directly.

I will focus the remainder of my brief remarks on the points that my Committee made last session in its report on the energy efficiency of existing homes, to which the hon. Member for Brighton, Pavilion (Caroline Lucas) referred. It seems that this is the area where greatest progress can be made towards the net-zero target, and in the shortest time. It was also the area that many witnesses before the Committee identified as a missing component from the recent energy security strategy.

I was pleased that late last month Ministers laid before Parliament the draft legislation needed to implement the fourth energy company obligation scheme. That hugely successful scheme has driven energy efficiency improvements in a great many domestic properties. Such improvements will reduce consumer bills. They will also reduce energy consumption, and thereby emissions from power generation. In the nine years of the scheme's operation to date, it has supported cavity wall insulation in over 1 million properties. That is impressive, but there are still some 19 million homes that need upgrading to energy performance certificate band C. The cost estimate on which our Committee received evidence averaged £18,000 per property. Our Committee, I am afraid, found that the Government estimate for decarbonising Britain's housing stock by 2050, at some £65 billion overall, was highly likely to be a significant underestimate. Welcome though the ECO is—last month, the chair of E.ON told the Committee about industry support for the scheme—it

represents only a small fraction of what is genuinely necessary to achieve domestic energy efficiency. Will the Minister be in a position to elaborate further on the Department's plans to drive energy efficiency in existing homes? It is not immediately apparent in the spending plans that the House is examining.

It is unlikely that the average householder will be able to afford a one-off payment of about £20,000 to upgrade their property without some incentive from the centre. I do not want to hark back to the green homes grant voucher scheme, but I hope that the Government have learned the lessons from its introduction. It was a well-meaning scheme that could have kick-started energy efficiency improvement, but it was strangled by red tape and ultimately abandoned in less than a year, having reached only a fraction of the homes that it was expected to improve.

Richard Fuller (North East Bedfordshire) (Con): I wonder whether my right hon. Friend might address community-led schemes, which were the other thing that the hon. Member for Brighton, Pavilion (Caroline Lucas) mentioned. Is not one reason why costs are so high because the Government's strategy is focused on individuals making a decision about their house, rather than being a more comprehensive approach that could achieve better economies of scale, certainly in service delivery?

Philip Dunne: The Government have been focusing on social housing, which is typically owned in relatively large unit blocks together in a street or an estate. In many cases, such schemes are community energy schemes. For example, I have seen geothermal being introduced across an entire estate in my constituency. The Committee is looking at the prospects for geothermal to provide community-based schemes. There is a big role for that to play, but it is a part of the whole that will not be suitable for every area or every housing type.

The Government are taking steps, but I see them as overly cautious. However, I strongly welcomed the Chancellor's announcement in the spring statement that removed VAT on energy efficiency measures for domestic homes. I expect that Ministers will be measuring its impact in the expectation that it will be a pathfinder to extensively rolling out similar support—for example, on batteries for domestic energy storage, which, as I understand it, are currently excluded from the scheme.

It is clear that the current energy cost crisis is leading to soaring public interest in energy efficiency measures to cut bills. For a Government willing to invest wisely, that represents a real opportunity for substantial returns not just to the Exchequer, but to the householder through cut bills and to the planet in reducing emissions. I do not expect the public sector to pick up the bill for energy efficiency improvements, but, with the right support, the private sector can be properly incentivised to take the lead.

In closing, I will raise one further issue concerning the Government's approach to energy efficiency and the funding of measures to improve it. I would like Ministers to undertake a thorough review of the impediments to introducing innovative schemes that encourage home improvements. Just last week, I was alerted to how an innovative domestic solar panel installer's business model is being constrained by provisions in the Consumer

[Philip Dunne]

Credit Act 1974 designed to protect both consumers and suppliers from theft or loan default on portable consumer goods, such as cars. It seems problematic that those provisions should also apply to home insulation schemes, which are not portable—or, if they are, they are very expensive to move—and therefore are not a good asset on which to lend subject to those provisions. I strongly ask Ministers to examine such issues with some urgency. It may well be appropriate to do so when the UK Infrastructure Bank Bill comes to this House, to ensure that the bank is not similarly hobbled in making investments in energy efficiency projects. Thanks to the Department, those are one of its core remits.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. I anticipate that the wind-ups will come at about half-past 6, with eight minutes for the SNP, 10 minutes each for the other two Front Benchers and two minutes for Mr Dunne to sum up. If people keep their speeches to roughly 10 minutes, we should get everybody in equally.

5.34 pm

Darren Jones (Bristol North West) (Lab): Thank you, Mr Deputy Speaker. I intend to speak for less than 10 minutes, if that is helpful. I start by thanking the Environmental Audit Committee for securing the debate and for sharing with the Business, Energy and Industrial Strategy Committee, which I chair, the load of scrutinising net zero delivery across Government. I thank the Backbench Business Committee for granting this time on the Order Paper, and I thank the Clerks who support the work of our Select Committees day to day; without them, we would not be able to scrutinise the Government as effectively as we do. I welcome back to the shadow Front Bench my constituency neighbour, my hon. Friend the Member for Bristol East (Kerry McCarthy), in her new role as the shadow Minister for climate change. I look forward to her summing up later.

My focus today is primarily on delivery, because effective delivery ensures value for taxpayers' money. The Conservative party generally believes that sending policy signals through targets or departmental strategies will be enough to ensure that the market does the heavy lifting as we transition to net zero by 2050. On this subject, it is wrong. Ministers will no doubt point to a long list of targets, strategy documents, incentives—for example, contracts for difference—and research funding allocations, all of which are admirable and welcome. But as the Climate Change Committee concluded last week in its annual report to Parliament, Ministers must think much more about the role of the state in ensuring the delivery of their net zero ambitions, be that from Whitehall or through partnerships of local authorities—and always, in my view, in partnership with the private sector and local communities.

Unfortunately, the Department for Business, Energy and Industrial Strategy is not very good at that. According to the National Audit Office's review of the delivery of major projects in the Department, 11 of the 15 major projects were deemed to have significant issues that required management attention, or major risks that put the successful delivery of the project in doubt or, at worst, caused it to be deemed unachievable. They include amber warnings for the smart metering implementation

programme, costing £20 billion; the social housing decarbonisation fund, costing £4.6 billion; the public sector decarbonisation scheme, costing £1.1 billion; the local authority delivery of the green homes grant, costing £500 million; the heat networks investment project, costing £376 million; and the home upgrade grant for energy efficiency and low-carbon heating work in low-income, off-gas grid homes. There were significant worries about each and every one of those major projects, and, of course, there was a big red warning against the now defunct green homes grant. In fact, the only major programme to receive a green rating from the National Audit Office was the geological disposal facility programme, costing some £12.7 billion, for the long-term management of radioactive waste. For that, I suppose we should be grateful.

In short, there is a delivery problem in Government at a time when the state needs to get more involved in delivery. That is why the Climate Change Committee has called for stronger coordination and delivery, not just in BEIS but through Downing Street and the Cabinet Office, and for contingency planning to be urgently put in place if the current strategies are not delivered as intended. From BEIS, we must see more detailed delivery plans and technology road maps for the delivery of net zero electricity by 2035—something my Committee has started to look at in a new major inquiry—as well for hydrogen production, carbon capture and storage, and industrial decarbonisation.

The No. 1 priority for the Department in relation to our net zero target requirement is, of course, the energy efficiency of our buildings. Buildings account for 20% of emissions in the UK, and the targets the Government have set themselves are very significant in terms of carbon emissions reductions by the mid-2020s. The Government will not hit their net zero target without insulating our buildings and reducing our need for energy, and they will not insulate our buildings without being more directly involved in delivery. This should be a national programme, street by street in every community, co-ordinated nationally in partnership with local councils. That will, of course, cost a lot of money, and public funds should be targeted at households that need it, whether they are on low incomes or require more expensive works to be done because of the nature of their homes.

The current plan from the Government is, unfortunately, to move the same amount of money around again, instead of properly funding a national insulation programme. The money allocated to the failed green homes grant was partly reallocated to the public sector decarbonisation scheme and to the gas boiler replacement voucher scheme. According to the Secretary of State's evidence to my Committee last week, that is being re-allocated back to a general energy efficiency programme to be announced in due course.

Richard Fuller: I hope the hon. Gentleman will indulge me if I take him back to the street-by-street proposal, which three hon. Members have mentioned. What if an individual does not want that change to their house? What will the public policy be? Will we force people to make the change or will we allow free riders? I wonder what his answers are to those intriguing questions.

Darren Jones: There are two points to make. On consumer awareness generally, although there is very significant support for action on climate change, polling

shows that most consumers do not realise that that means replacing their gas boiler and insulating their homes. Part of the net zero strategy for Government should be to try to engage with homeowners, tenants and the public about the work that needs to be done, but they have failed to introduce any effective engagement programme with the public. The concern is that when people do not want to do the work, that will cause a lot of anger among the public, and that will undermine our ability to reach net zero.

The use of public funds is also very important, because the disposable income of an average household, once we take away rent or housing costs, is around £9,000 a year. As we have heard, however, we are asking people to spend £10,000 to £20,000 on their home. How on earth can we ask a family with an annual disposable income of £9,000 to spend £20,000, when there is no support from the state or councils and when the banks are not even offering low-cost energy-efficiency financial products to help people who want to make these investments? That is why the Government need to be more involved in thinking about delivery. I suggest having incentives and behaviours that nudge people in the right direction, so that the vast majority of people feel able to do what they want to do and support the national effort to tackle climate change.

Caroline Lucas: I certainly agree that incentives and greater financial support will be crucial. However, does the hon. Gentleman agree that another way of tackling the issue that the hon. Member for North East Bedfordshire (Richard Fuller) raised would be to make very sure that there was a requirement to up the energy performance certificate rating before the house next changed hands or was put on the rental market? In other words, if people wanted to sell their house, they would have to make sure that it was properly insulated. In a sense, we would have both the carrot and the stick.

Darren Jones: We may end up having to do that, but I think that we need to lead with the incentive and support for positive behaviour before getting to the stick. I also note that the obligation is on people who own a home that they rent out to make sure that their home has an EPC rating of C or above. That comes in much earlier than for homeowners. That is a good thing, but the Government have still not set out how they will help homeowners to do the work affordably.

Delivery is important for the Business Department, because, of course, we cannot do this without business. Remarkably, however, given that we are talking about the Business Department, the constant chopping and changing between policies, financing and the requirements for businesses to be able to get access to financing—through the green homes grant or other programmes—make it extremely difficult for businesses to have any certainty about what will happen. That also makes it very difficult for businesses to invest in their kit or workforce, in training and upskilling their staff, or in the expansion of their services in larger geographies across the country so that they can do this work. We have feedback time and again from business that they are ready and willing and want to do the work, but that the constant chopping and changing from Government makes it very difficult for them to scale up and provide the amount of work that needs to be done across the country.

It is crucial that we get this right urgently. The CCC's report to Parliament this week showed why, of all the issues, we must move more quickly on building decarbonisation, not just for consumers, homeowners and businesses, but for our ability fundamentally to hit net zero and protect the planet from the worst effects of climate change. I urge Ministers, when they are thinking about delivery and, as a consequence, about value for taxpayers' money, to radically change their approach. I urge them to set out a policy direction and a well thought-through product design that businesses and homeowners understand they can take part in. It should be properly financed and go street by street across the country to ensure that we get on with this now, given the complete lack of progress over the past few years. I wonder whether the Minister, in summing up, will have any reflections on how the Department might improve its delivery of this important work.

5.44 pm

Chris Skidmore (Kingswood) (Con): I thank the Backbench Business Committee for agreeing to the debate. Hon. Members across the parties have signed up to it, including a large number of Select Committee Chairs and chairs of all-party parliamentary groups. I speak as chair of the all-party group on the environment.

Our debate comes at an opportune moment: this is Net Zero Week, and last week was the third anniversary of my signing net zero by 2050 into law as Energy Minister. The UK was the first G7 country to do so. If I had been told at the time that by COP26 in Glasgow, 90% of the world's surface would have signed up to a net zero target, I simply would not have believed it—but I probably would not have believed that we would have a global pandemic, that Afghanistan would cede to the Taliban or that Russia would invade Ukraine.

Given all the strong headwinds, the day-to-day political events and the crises of the past three years, it is worth reflecting on the longevity of the net zero target and on what needs to be done. We need to be resilient and sustainable to achieve our greatest challenge: a green industrial revolution, with a move from petrochemicals towards a new materials economy. The challenge is massive, but the UK has shown international leadership in signing up to net zero. We were able to pass it in this Chamber because of the Climate Change Act 2008, which was enacted by the then Labour Government with the Conservative party in opposition demonstrating cross-party support for upping the target.

We need to be in a place where our financial commitments are shadowing the commitments to net zero that all political parties have made. We do not have a financial mechanism in place as we do for our carbon budgets, so I think we need to be more innovative in how we look at our budgets. Today we are discussing estimates and the budgetary cycles for our net zero commitments; I will come on to the details in a moment. Until we move to a longer-term cross-party funding solution, however, I think we will struggle, because we will be endlessly discussing the detail rather than the broader strategic approach needed to deliver energy efficiency.

Before I go into the costs in pounds and pence—the billions of pounds that are being spent—I want to make sure that we do not fall into the trap of thinking of net

[Chris Skidmore]

zero as a sunk cost. Actually, every pound spent is an investment. Net zero is a net benefit to our economy, so when we talk about the money invested by the Government, let us not fall into the trap of thinking that somehow it is going down the drain.

Richard Fuller: I hate to pick my right hon. Friend up on this point, because he is much more knowledgeable than I am, but how can net zero be a net benefit to the economy unless achieving net zero comes with economic benefits? What would those benefits be?

Chris Skidmore: The economic benefit of net zero is a wholesale transformation in our industries, our manufacturing processes and the way we think about our world. The same debates would have been had over the introduction of the car, the introduction of electricity or the introduction of gas boilers to replace log burners in every house. Going through those wholesale transformations has led not only to new jobs, but to growth.

If there was one mistake in signing up to net zero, it was using the term “net zero”. We should have called it net zero growth, because it is not about eco-warriors or extremists committing themselves to decarbonisation; it is a pathway that shows us doubling our energy use by 2050. Committing to net zero is a manageable path that will ensure that our economy continues to grow.

Richard Fuller: I do not want to deflect my right hon. Friend too far from the debate, but let me just pin this down. The automobile added to growth because it got people from A to B quicker than a horse and cart. The move to net zero essentially means taking certain off-balance sheet, off-profit and loss statement costs and putting them on the balance sheet or on the P&L. It will therefore act as a brake on growth unless the United Kingdom can expand our revenue opportunities, do things at a lower overall cost or shift behaviour patterns so that we can do things more efficiently. That is the piece that is missing from what has so far been said by my right hon. Friend and by the Committee on Climate Change. Those things are there, but should we not be honest with the public that without them, net zero harms growth rather than enhancing it?

Chris Skidmore: My hon. Friend is entirely right about one aspect of this. He mentioned efficiency and productivity. Obviously the UK faces a huge productivity challenge. We are speaking in Parliament and discussing the importance of politicians to making this energy transition, but it is already happening even without us. Private companies across the UK, and indeed the world, are saying that they would want to go to net zero even if there were not a climate crisis, because they recognise the opportunities for productivity, for disruption, for achieving better efficiencies, and for thinking differently. That is what makes net zero so important: the wholesale transformation, into the 21st century, which recognises that we cannot be dependent on unsustainable fossil fuels that will ultimately run out.

The Russian war against Ukraine has demonstrated that we cannot be held hostage by petrostates for the future. We must do something about that, and I think

current messaging means that far more people support net zero. This is the year when climate change and net zero went mainstream. I think that all politicians, particularly certain politicians on my side of the Chamber, are at risk of not being on the public side of the argument. They need to understand that this has to happen, not just for the sake of the climate, but for the benefit of our economy.

Jim Shannon (Strangford) (DUP) *rose—*

Caroline Lucas *rose—*

Chris Skidmore: I will give way to the hon. Gentleman and then to the hon. Lady, but after that I must get on, because I do not want use up all my time with interventions.

Jim Shannon: I agree with what the hon. Gentleman is saying, but I live in an agricultural community. I live on a farm, and all my neighbours are farmers. Let me give an example of the current pressures. Last week I spoke to the farmer next door, who is not just a very big dairy farmer but also a contractor. He has, I think, eight or 10 tractors and trailers on the road, and he employs 12 people. He told me that the cost of diesel was up by at least 100%, and the price of fertiliser by 300%. When it comes to the financial equations, he is staring at stark reality. With respect, speaking as someone who agrees with the objectives put forward by the right hon. Gentleman and others in the Chamber, maybe we need a wee bit more time, because at the moment some farmers are under so much pressure to make ends meet. They are faced with costs that they have never seen before in all their life. Does the right hon. Gentleman agree?

Chris Skidmore: With respect, I do not. We do not have any more time. We have 28 years until 2050. It has been 30 years since we began these discussions and since the formation of the United Nations framework convention on climate change. We have seen the emission, since 1990, of 50% of all carbon dioxide emitted by the world in the entirety of human history. The argument that we need to go more slowly belies the fact that net zero is the slowest possible path on which we can travel while hopefully retaining a chance of hitting 1.5°. The consequences of not hitting 1.5°, or 2°, or even 4°, God forbid, will be more catastrophic for local businesses, and for farmers such as the hon. Gentleman's friend.

The Po valley, normally one of the wettest areas of Italy, is now dry because seawater is flooding into the river. That is the reality of what is happening. Farmers throughout the world are, because of climate change, becoming less productive, and are becoming unable to produce the food that they once could. We need to be able to look them in the face. We, the industrialised nations that have this leadership, need to take action to ensure that all countries take this opportunity while we still have time—and that time is, sadly, ticking away.

Let me turn to the details of the estimates. My right hon. Friend the Member for Ludlow (Philip Dunne) referred to the estimate from the Department for Business, Energy and Industrial Strategy, which is on page 9 of the Library pack. It claims that

“£11.6 billion for the £400 energy bills reduction announced as part of the Cost-of-Living measures package”

contributes to the net zero target. That is simply not true. The £400 that is going out of the door to subsidise gas and other fossil fuel usage is exactly the same amount that a household would save every single year in a property that was in band C of the energy performance certificate rating. This is the economic reality of net zero. Once a capital cost investment is made, we are looking at savings, year in, year out, whether that is through the production of renewable wind or solar energy, or through energy efficiency. That is what we need to be talking about when we are discussing net zero measures, not the false creative accounting that we see in the estimates.

We should also look at the Treasury's spending plans for net zero. My right hon. Friend the Member for Ludlow mentioned the period 2023-24, when the plan is for spending to rise to £8 billion a year, before it falls back to £7.7 billion in 2024-25, so actually we are going backwards. Of course we want to ensure that private sector uptake and investment continues; it cannot just be the state making these investments. We have to look at how we can draw in greater private sector investment, and I will come on to that in a moment. The reality is that if we have such balance sheets without having a longer-term sustainable programme for delivering net zero, we will always have these measures.

We need a coalescing target, just as net zero-ers have been able to coalesce around a single target. When I was Science and Research Minister, we had a target spend of 2.4% of both public and private gross domestic product on research and development by 2027, although we may fall short of that. Other countries such as China are going to hit 3.5%, and countries such as Israel are already about to hit 5% of GDP, both public and private, on R&D. Yesterday, the Prime Minister talked about spending 2.5% of GDP on defence by 2050. Where is the GDP target figure for net zero? We should set ourselves a far-reaching goal, and commit ourselves to that spending, both private and public, to demonstrate the investment that is needed for net zero.

There are far too many small pots of funding—we have talked about the green homes grant—and that creates a concertina effect, whereby people apply for a funding scheme, but we do not have the skills to deliver the product that is needed. As a result, these programmes ultimately do not achieve the targets they set out to achieve. I believe that moving away from small pots of funding to longer-term plans through which we can finance net zero should be the way forward. To deliver that, we should think about setting a net zero finance target for the UK every year, and on estimates day, we should talk about that, rather than using false figures in our accounting to claim that we have delivered an additional budgetary impact on net zero.

5.56 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I thank the right hon. Member for Ludlow (Philip Dunne) for his thoughtful contribution. Coming from the highlands in the far north of Scotland, I have seen with my own eyes what climate change is doing in my lifetime. As a child, I took a huge interest in butterflies and recorded every butterfly I ever saw. I did not kill them; I recorded what they were. Today, we have species of butterfly in the highlands that we never saw there in the 1950s and 1960s, including the speckled wood and

the orange tip, which are now quite common, but we are also seeing some species disappearing, particularly moths. That is because of global warming. It is there; it is real.

As is my wont, I shall make three points that are connected with the needs and requirements of my constituency. In recent days and weeks, there has been quite a lot of press coverage of a suggestion that, as and when a new wind farm is built, perhaps in England somewhere, the nearby households that might be affected would be given a grant of £350 per household. In my constituency in the highlands, we already have a large number of onshore wind farms, so my first plea, which is a pretty obvious one, is that if the Government ever did consider some sort of grant like that, it should also be afforded retrospectively to homes in the highlands and other parts of the UK where there are already wind farms. My part of the highlands is one of the coldest parts of the UK—the village of Altnaharra in Sutherland always has record low temperatures—and average incomes are not large. Transport and getting about are expensive, and given the inflationary situation and the cost of living, a wind farm payment like that would help families who are struggling to make ends meet.

I conclude my first point by saying that I am a great believer in the United Kingdom, and I believe that a family in the highlands, in Wales or in south-west England has the same rights as a family anywhere else. Therefore, if such payments were made, I think that in the interest of fairness, all parts of the UK should be considered, as should my suggestion about making retrospective payments.

I warmly encourage all Members to come and have their holidays in the highlands, but as they drive up the A9, as James Bond did in “Skyfall”, now and again they will come across a vast articulated lorry carrying part of a turbine up to where a wind farm is being constructed. Having those lorries going through the narrow villages of Sutherland, such as Golspie, Brora and Helmsdale, and negotiating the twisting roads is a problem, both for getting parts of the turbine where they are intended to go and because it discourages the local people.

My second point is an old favourite of mine. Recently, a man called Mr Frank Roach, who is a tremendous fellow for developing the use of railways, got a very large consignment of timber moved from Sutherland to markets further south on a very large train. For global warming and net zero, moving by rail makes the most enormous sense; Godspeed the day it is all electrified. My second plea, therefore, is that, where planning consent has been granted for a new wind farm, we should look quite hard at moving parts of wind turbines by rail and not by articulated lorry, consuming vast amounts of diesel as it burns its way up and down our roads. I earnestly recommend that officials in the Government contact Mr Frank Roach and talk to him, because it is really quite extraordinary the way he is getting us all in the north of Scotland thinking about the use of the railway.

My third point is that offshore wind has been proved by the construction of the Beatrice wind farm off the coast of Sutherland and Caithness. It works—it really does. It generates a huge amount of electricity. But there has been sensible talk by the Government and others—it has already been referred to in the debate—about establishing floating offshore wind farms.

[Jamie Stone]

Let me make an unashamed plug for the Cromarty Firth in my constituency, which was the great anchorage for the fleet in the first and second world wars because it is such a large and deep anchorage, safe from the weather. It is no accident that some of the mightiest oil production platforms ever built were built there. I strongly advocate to the Government that offshore floating wind systems could be constructed in the area. They could be constructed in Wales and elsewhere, too, but the main thing is that it would be nice to see them built in the United Kingdom. I hope—I realise that I am really chancing my arm—that the Government will look favourably on the bid by the Cromarty Firth to become a green freeport.

In concluding, I want to make two small points. First, this debate is very much in keeping with what we all hear from young people in schools. To use a German word, it is the *Zeitgeist*—the spirit of the times. Young people are only too well aware of the urgent need to get to net zero. They know all about climate change, and I find that hugely encouraging.

Secondly, I want to pick up on what I think the right hon. Member for Kingswood (Chris Skidmore) was saying, if I understood him correctly. A good number of years ago, I was a member of Ross and Cromarty District Council. We went for a courageous money spending scheme called care and repair, which was deliberately targeted at some of the coastal villages of Wester Ross—Gairloch, Applecross and places like that. We threw what was known as block B capital allocation at doing up houses. That meant that people had their homes insulated.

This was quite a long time ago, but the point was that the money we spent, which was a lot, went into the local businesses—the joiners, the people who installed the solar panels, and so on. They then invested in more equipment and, in turn, bought locally. That money was pumped into the local economy of a remote rural area. That was a financial benefit that we saw in Wester Ross all those years ago. So the money that is spent is spent locally. It boosts the local economy. One could say that the Chancellor's measures during the pandemic had the same effect; they boosted the local economy. All I am saying is that it is a mistake to think of it as being money down the drain. It is money spent in the UK, to the good of the UK, and that money is recycled, eventually supports the shops and helps to establish the businesses, which can go on to win bigger and better contracts.

I will conclude my remarks with that, other than to say that it is really good to hear a debate of this quality in this place. I know it will strike a chord with my younger constituents. I intend to send a copy of the *Hansard* record of this debate to my secondary schools as I think they will be interested.

6.5 pm

Bim Afolami (Hitchin and Harpenden) (Con): I rise in response to the challenge from the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone): this debate has to be of such quality as he will send a copy of the *Hansard* to his young constituents. That puts me under pressure—

Jamie Stone: But you will rise to meet it.

Bim Afolami: I hope so.

This debate comes at a time when there will be significant problems for millions of ordinary people up and down this country, and indeed all over the world, in heating their homes and getting around. It is an opportune time for us to have this debate about decarbonisation. I should start by saying that I strongly support not only the Minister on the Bench, the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for North East Derbyshire (Lee Rowley), who I know is a highly capable and effective Minister, but the Secretary of State, who is also that. The Minister is smiling. I am being nice to you, Minister. Indeed, it is a very effective Department that has had a huge amount to do and, broadly speaking, it is doing a very good job.

However, the context of oil and gas prices rising is a very complicated one. If the House would indulge me, I think it requires not just the Government, or this House, but international markets and other countries to think about decarbonisation differently. Oil and gas prices may rise structurally over the coming years due to an increase in demand from emerging market countries in particular. Many in the City of London, and many investment banks and energy analysts, think that will occur. If it does happen, in the short term, there will be a significant problem for millions of people across the world, including in this country.

The way to deal with that is to increase the pace of decarbonisation, and the pace of getting renewable energy used and in the ground. Indeed, that helps our energy security as well. However, at the same time, we must not demonise the major oil and gas companies, which have the skills, wherewithal and capital to help us to achieve that. Therefore, subtle and effective Government policy is required, working internationally with our partners, to ensure that we can give these major energy companies the confidence to invest in decarbonisation. They have the engineers, the capital and the know-how all over the globe to help us achieve that aim. I speak as someone who does a lot of work on these issues, as the House knows. There is no point in our demonising anybody who holds shares in an energy company, gluing ourselves to famous paintings or doing that sort of thing. All that happens is the price of oil and gas continues to go up, which makes people's lives harder. There may well be a backlash to the decarbonisation agenda if people perceive that it is not something that will ultimately help their lives and the economy, and help them to heat their home.

Chris Skidmore: Obviously we will discuss the Ways and Means motion on the Energy (Oil and Gas) Profits Levy Bill, or so-called windfall tax, later, but does my hon. Friend agree that companies such as BP and Shell that have agreed to become net zero companies should put their money where their mouth is and maybe establish a net zero fund? Such a fund could be tapped into over a long period to help to pay for some of the energy efficiency measures, demonstrating that it is not just green levies that will pay for additional net zero support mechanisms, and that we can leverage in private finance. Let us look to create a fund that could be financeable over a long period, given that we are holding these companies to account for their net zero commitments.

Bim Afolami: I thank my right hon. Friend for that typically well-made and excellent point. If the major energy companies established a long-term fund on that basis to make the investment that they say they are making—and which they are making, but which they say they want to make more of and which the Government want them to make more of—that would be helpful, not just as a signal to the market of where they were using their capital, but as a signal to the country that they were serious about putting their money where their mouth is.

Caroline Lucas: I am all in favour of fossil fuel companies creating funds, but would not another way of achieving that be for the Government not to give oil and gas companies such an extraordinary subsidy, as part of the windfall tax—the so-called 80% investment allowance, which incentivises precisely the opposite kind of behaviour that the hon. Gentleman is speaking so eloquently about?

Bim Afolami: I thank the hon. Lady for her point. The intention behind subsidies—or, to use another word, support—for energy companies is to try to achieve what we want them to achieve. The investment allowances—there are various other things—should be tweaked or changed to incentivise more directly the sort of behaviours that we are talking about. On that, I support her.

Jamie Stone *rose*—

Bim Afolami: I would like to continue, as I am being nodded at by various people because of the time, so I will make a little progress if I may.

We have heard a lot today about buildings and the need for a big insulation plan, for want of a better description. I strongly support that, but micro-measures to help individuals are also important. As Ronald Reagan said, the scariest words in the English language are: “I’m from the Government, and I’m here to help.” We need big, macro ideas. We need the big plans, but at the same time we need to incentivise individuals and families who want to help with the transition, do the right thing and make their own decisions to decarbonise. We can use things such as smart household systems to allow users to manage when to charge their electric cars, optimise when their heating comes on, or when to turn their fridge up.

We could also use market reforms to allow small energy suppliers to supply local areas. When there is a proposal for something in my constituency and I say to the energy company or small supplier, “Can you do something for the local village or local community so that they can benefit from this?”—whatever the form of energy is nearby—they say, “Look, the market isn’t really structured to allow that to happen.” That is a big problem, because it means that we are not getting the support of the local community or tapping into the latent desire to decarbonise—yes, working with Government at a macro level, but also at a micro level.

Jamie Stone: The hon. Member need have no fears: I shall put a large red star beside his contribution when I send off the copies of *Hansard*. If I pick him up right, surely the point is that anyone who thinks that the Beatrice wind farm, which I mentioned in my contribution,

came into being without the expertise of oil firms, which have installed mighty things in the North sea, would be very much mistaken. These same oil firms that he is referring to will be crucial if we are to establish large-scale floating offshore wind energy generation.

Bim Afolami: I thank the hon. Gentleman for that point; I could not agree more. It is a really difficult point to make, because it seems counter-intuitive, but we will need the major energy companies to do their bit and use what they have to achieve what we all agree we need to achieve, which is faster decarbonisation. We need macro measures from Government and we need to work much harder on buildings and insulation, but we also need micro measures to help individuals and small communities invest in decarbonisation and make those decisions themselves.

I commend these estimates. I am sure the money will be spent wisely, particularly if the Government have listened to the quality of this debate.

6.14 pm

Richard Fuller (North East Bedfordshire) (Con): It is a pleasure to follow my hon. friend and neighbour, the Member for Hitchin and Harpenden (Bim Afolami).

When Parliament agreed in June 2019 to achieve net zero by 2050, it was probably the most expensive, uncostered piece of legislation that has ever been passed by this country. It was a “Star Trek” piece of legislation, asking the country to boldly go where no one had gone before. These estimates start to frame how much the costs will be—costs for taxpayers, costs for individuals, and costs for business. As we look at those things, we need to be pragmatic and not dogmatic about achieving net zero. Too often we talk about the great opportunities of achieving net zero without really being honest about whether they are opportunities or just a shifting of resources, which, when it comes down to economics, has no net benefit at all.

As I was saying earlier, the contribution of net zero to this country’s growth is highly questionable. Essentially, we are taking a cost, which we ignored in the past, and saying that we now need to take it into account and eliminate it as a cost in our production. Growth does not arise from that. Growth arises when we can do the same thing for a lower cost—through productivity improvements. Growth can arise when we increase the revenues, particularly for our own country. That could be achieved through import substitution, or it could be achieved through the creation of new green technologies that we can export to other countries. However, it is not guaranteed just because we have passed a piece of legislation that says, “Let’s all achieve net zero by 2050.” It can be achieved by changing the ways that we do things into ways that are more productive. Finally, it can be achieved by reducing the costs of uncertainty, the most obvious of which when it comes to energy is hedging.

None of those things is guaranteed. As has been said, children and schools are enthusiastic about this, but that is because they are taught about net zero and because, quite naturally, young people have an interest in all things natural, such as the environment, diversity and the planet. Ultimately, though, the costs are what will matter in terms of whether and how we can achieve that ideological and scientifically justifiable goal.

[Richard Fuller]

From my point of view, the most important thing for us as a country is that we need to work with the pace of innovation and be cautious about trying to exceed the costs of innovation. That is because when we try to move more quickly for a policy goal, ahead of the way that innovation is enabling us to get there, it means additional cost burdens on households and on taxpayers.

In the estimates, it will be interesting to hear from the Minister about the extent to which he appreciates those goals and the extent to which the Government are trying to increase the pace of innovation. I am talking not just about providing subsidies and support for people to change the way they do things, but about the way the Government are providing incentives for innovation to move at a faster pace.

Chris Skidmore: The Government also need to set a number of targets for the production of hydrogen and for the capture of carbon dioxide as part of their 2030 plans and the net zero strategy Build Back Better. Talking to HyNet North West, it is clear that it believes that it can go further, and it wants to call on the Government to double its opportunities to capture carbon dioxide. It wants to increase the current allocation of hydrogen from 1 GW to 2 GW. It would also like to see a doubling of the megatonnes of carbon dioxide captured per annum.

Does my hon. Friend believe that the Government should give HyNet, which says that it has the companies ready to go, the opportunity to double the amount of hydrogen and double the amount of carbon dioxide that it can capture now, because it believes that it can do it? I agree with my hon. Friend that we should follow the innovation.

Richard Fuller: I appreciate my hon. Friend's example of innovation, which could assist.

I wish to focus now on the particular issue of decarbonising home heating. We heard from my right hon. Friend the Member for Ludlow (Philip Dunne) in his opening speech that that is essentially a £20,000 cost for a household when it is combined with insulation. He quite rightly made the point that that is beyond almost every household. I think the hon. Member for Bristol North West (Darren Jones), the Chair of the Select Committee, also noted that it is beyond the expectation of the ability of households to pay for it.

We also know that the economies of scale when it comes to technologies for decarbonising home heat are challenging, because the technology is already established and therefore the production economies of scale are likely to be less than in other areas, and because a large part of the costs are in the service delivery, which is people. People efficiencies are harder to capture than production efficiencies.

Not only is the up-front cost high for everyone, but it means that, without Government action and direction, we would end up with certain households doing it that might not necessarily be those that make most sense for achieving our goal. I say this as a Conservative who believes in free choice, but if we want to achieve that goal, we have to own up to the fact that relying on individual choices by individual households to achieve the decarbonisation of home heating will mean that the

overall cost to society of achieving that goal will be substantially greater than going through a process that has at least a very significant part of a community-based initiative.

Again, my right hon. Friend the Member for Ludlow was right to point to the issue of social housing. I am eager to see us move forward; we have a Bill coming and I think there is an opportunity to look at neighbourhood plans, which are about planning for our local communities. Maybe there is an opportunity there to put forward some of the suggestions for community decarbonisation of home heating. I hope that hon. Members who are interested in that will let me know, because I am thinking of tabling an amendment that would make that part of the way that we ask local communities, through the planning process, to start thinking about how they achieve the decarbonising of home heat on a community basis.

I must also urge the Government to come forward and say how they will harness patient capital to solve the economic equation of decarbonising home heat. The equation is that there is a big up-front cost and then the benefits accrue slowly each year, ideally through lower heating bills and certainly through less exposure to the volatility of carbon-based fuels. What are the Government going to do to structure a programme that can attract patient capital to do that? That is the sort of financial profile that pension funds invest in all the time.

Neighbourhood plans, a community-led approach and attracting patient capital into those community programmes seem to me to be one way in the estimates to try to get an approach to net zero, if I may coin a rather cheap phrase, at net profit to the British economy. Achieving net zero at net profit is a way to get a pragmatic answer to the idealistic but uncoded goals that this Parliament put in train in 2019.

Mr Deputy Speaker (Mr Nigel Evans): We now come to the winding-up speeches. I call John Mc Nally.

6.22 pm

John Mc Nally (Falkirk) (SNP): I congratulate the right hon. Member for Ludlow (Philip Dunne) on securing this valuable debate.

Let me start by saying that I have here a reminder of why we are in this place debating our children's future. It is a "Climate Comic", produced by children in Windsor Park primary school in my constituency. I think the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) might be quite interested in having a look at it later on—I guarantee it will not go into *Hansard*. The children who helped to produce it all have sensory impairment problems; most of them are deaf, and they signed the presentation they made to us.

If we want to change the world, we must get busy in our own little corner, and that is exactly what those children have done. It is top-class work by the primary school. The children produced their climate-conscious comic as part of the Forth Valley Sensory Centre's "Making Sense of Climate Change" project. I thank all who helped to produce the comic and raise awareness of the fact that time is not on our side. The narrative on climate change of, "We need to do this.", will soon become, "We should have done that."

Here is why: the energy and security strategy presented a prime opportunity for the UK Government to tackle the dual climate and cost of living crisis, and they failed on both fronts. Their lack of ambition in setting meaningful policy to tackle that crisis was exemplified by their energy and security strategy in April, a strategy that was widely criticised and deemed inadequate by stakeholders. In the aftermath of the strategy being announced, the former chief of Ofgem noted:

“One failure, that could’ve helped in the short to medium run, is a lack of focus on energy efficiency, on insulation, on improving the quality of people’s homes—I think that is an opportunity missed.”

Simon Virley, KPMG’s vice-chair and head of energy and natural resources, no less, stated that

“this strategy won’t get us to Net Zero at least cost to consumers.”

Given the importance of tackling the cost of living crisis, that is a missed opportunity. Other European countries such as Holland, France and Germany are doing this as a matter of urgency. The strategy fails to set out measures focused on improving energy efficiency in buildings, which has been described as a silver bullet by industry experts.

I am a member of the Environmental Audit Committee. I pay tribute to our excellent Chair—the right hon. Member for Ludlow—my colleagues on the Committee and the excellent standard of work by its Clerks. On the sustainability of the built environment, our report stated:

“If the UK continues to drag its feet on embodied carbon, it will not meet net zero or its carbon budgets.”

The EAC also pointed to the lack of any evidence that the UK Government were taking action to prioritise retrofit or reuse of existing buildings. Furthermore, the chief executive of E.ON noted that

“our plea to the government has always been to push hard on energy efficiency because that is the proven way, if you like the only silver bullet for this crisis”.

Caroline Lucas: The hon. Gentleman is making a powerful case. Does he share my surprise that in a debate on energy costs there has been no reference yet to nuclear power, which is eye-wateringly expensive? We are just hearing that Hinkley Point is going to be a year late and cost yet another £3 billion. Does he agree that the money that is being sunk into nuclear could be much better spent in exactly the kinds of ways he is describing, such roll-out of energy efficiency in homes and renewable energy?

John Mc Nally: I absolutely agree. The money could be spent more quickly and efficiently, saving endless money that is wasted, is probably never going to be used properly, and is making someone somewhere very rich but certainly not putting energy efficiency into people’s homes or into businesses.

The UK Government’s failure to tackle the most basic measures that are crucial in helping to tackle the climate and energy crisis is emblematic of their broader failure to prioritise these issues. If Scotland is to stand any chance of meeting our ambitious climate targets, we simply cannot afford to be held back by inadequate Westminster policies for much longer. Scotland has the potential to become a global net zero energy hub. The UK Government’s lack of ambition cannot continue to jeopardise this. We have the perfect mix of skilled workers and natural resources to become a world leader

in renewable energy. Our oil and gas workers have long been at the forefront of energy innovation. The Scottish Government are committed to a just transition that harnesses the expertise of these oil and gas workers and supports those currently employed in oil and gas to capitalise on the employment opportunities of net zero.

The Scottish Government’s national strategy for economic transformation sets out their ambition that by 2032 Scotland will be an international benchmark for how an economy can transform itself, decarbonise and rebuild natural capital. The Scottish Government’s climate emergency skills action plan sets out their ambitious approach to developing the current and future workforce to support the transition to net zero. The Economic Development Association Scotland has described the action plan as

“a leading example of planning for sustainable skills against climate change targets.”

The Scottish Government’s just transition fund, alongside their strong commitment to achieving net zero, shows that unlike the UK Government they are matching their climate promises with action. That is in stark contrast to the UK Government, who have refused to match the Scottish Government’s £500 million just transition fund despite the Treasury benefiting from £350 billion in revenue from North sea oil.

The Government in Scotland recognise that climate change is the priority. That priority, desired by the people, is being met as best as it can be by the Scottish Government, and with reasons matching desires in nearly equal measures. Give Scotland the competencies and we will surely match that desire.

6.29 pm

Kerry McCarthy (Bristol East) (Lab): I am mightily relieved to see that the Minister is still in his place. I hope he manages to hang on until 7 o’clock; he might find he is the last man standing on the Government Front Bench. If he does want to tell the House about his resignation when his time comes, rather than tweeting it, I am sure we would be delighted to be the first ones to know. There are times when we speak in this Chamber and we feel that the eyes of the world are upon us. I think it is fair to say that this is not one of those occasions, but it is an important debate, and I thank the right hon. Member for Ludlow (Philip Dunne), the Chair of the Environmental Audit Committee, for securing it.

I wish there was a bit more to discuss. As we have heard, last week the independent Climate Change Committee delivered its annual verdict on the Government’s climate strategy, or what there is of it. I think the Chair of the Select Committee let the Government off a little lightly in his quote from that report, which was an absolutely damning read. It talked about major failures in delivery programs and stated that

“we are not seeing the necessary progress”,

and

“the Government is failing in...its implementation”.

It also said that the current strategy will not deliver net zero. The committee concluded that the Government have credible plans for achieving only 39% of the emissions reductions required. This comes less than a year after COP, when we still hold the COP presidency and ought to be showing international leadership.

[Kerry McCarthy]

It is not just the Climate Change Committee saying that the Government have fallen short. The Public Accounts Committee report published at the beginning of March said that the Government still have

“no clear plan for how the transition to net Zero will be funded”, or

“how it will...replace income from taxes such as fuel duty...and...has no reliable estimate of what the process of implementing the net zero policy is actually likely to cost British consumers, households, businesses and government itself.”

It went on to say that the Government have

“too often pursued stop-start strategies which undermine confidence for business, investors and consumers in committing to measures which would reduce carbon emissions, especially when some green alternatives are still significantly more expensive than current options.”

We heard that from a few speakers. I think the hon. Member for Hitchin and Harpenden (Bim Afolami) talked about how businesses need the confidence to be able to invest, how they need a sense of direction from the Government and how they need to know that they will be backed up.

We heard from the Chair of the Environmental Audit Committee that the global situation requires a rapid recalibration of the Government's strategy, and that waiting for the right technology to turn up is not a strategy in itself. Again, that is a plea for a clearer sense of direction from the Government. He said—I hope I am quoting him right—that the Government prefer to delay substantive action to a future date, post election. We might find that comes a bit sooner than we were expecting when he made those comments, but let us see. I would certainly say that the time for action is now.

We have seen that day-to-day spending in BEIS has increased by 71% since the last supplementary estimate. That has mostly been driven by this increase of £11.6 billion for the energy bill support scheme. As has been said by several people, including the right hon. Member for Kingswood (Chris Skidmore) and the Chair of the Environmental Audit Committee, this is not a net zero measure unless it is linked to ending investment in fossil fuels, which we know it is not. I expect that we will shortly hear criticisms on that front. It was quite damning how the right hon. Member for Kingswood said that it was simply not true to say that this is a net zero measure. He talked about using false figures in our accounting; I thought those were strong words, but they are true. Once that figure is discounted, we see that little money is going on the most important measures that should be being put in place to deal with emissions. Several people mentioned the need to insulate and retrofit homes, which would simultaneously slash emissions and bring down energy bills. That should have been an urgent national priority as energy costs soared. As has been said, if we invested in that, it would bring down energy bills year on year.

Chris Skidmore: When it comes to future measures—I am conscious that some of these schemes were announced by a Chancellor who has resigned in the past half hour and is no longer here to defend them—we need to introduce the concept of conditionality. It has been done in France and other continental countries but not

in the UK, and it means that an investment is made on the condition that it is seen through in future green investment.

I pointed out that the £11.6 billion is money out of the door with no consequential effect on delivering on net zero. That money—£400 a person—could have been delivered on the condition that it was later spent on green home improvement measures using a voucher scheme. We need to think carefully about how we deliver those schemes in future so that we can benefit people in a cost of gas crisis—it is not just a cost of living crisis—and see real change on the ground.

Kerry McCarthy: The right hon. Gentleman is correct. We should be looking at long-term solutions, not short-term fixes. When the next rise in energy bills comes in the autumn, people will quickly discount that money. They will obviously be grateful to have had some money to help towards their bills, but they will not feel as though they have benefited a lot. Insulation, however, would mean that they had something to see them through future years.

As I said, housing should have been a priority. Properly retrofitting homes would significantly reduce the 20% of UK emissions that come from buildings, as well as cutting bills. That is why Labour has pledged £6 billion a year to retrofit 90 million homes in a decade. My neighbour, my hon. Friend the Member for Bristol North West (Darren Jones), talked about a national street-by-street programme. I would welcome that, provided that it started in Bristol East rather than Bristol North West—we will work our way round to him eventually. If Bristol is getting some money for that, I want to be first in the queue.

There are other examples where the now ex-Chancellor seemed keen to claw back green spending wherever he could. The plug-in grant for electric vehicles was scrapped just weeks ago. The planned landscape recovery fund to rewild our countryside was recently gutted from £800 million a year to £50 million over three years. In these estimates, we see a £76.8 million reduction in funding for carbon capture and storage, despite the Climate Change Committee highlighting concerns last week about the Government's support for the sector. As the Chair of the EAC said—I seem to be quoting him a lot, which is a tribute to his excellent speech—CCS is not a magic bullet. We are simply not there yet; there is huge potential, but we cannot magic it out of thin air. There has to be a strategy to get us into a position to make use of it.

There are many things that the Government could do if they were worried about the costs of going green. They could scrap the plans to provide a huge tax break for investment in fossil fuels in the upcoming Energy (Oil and Gas) Profits Levy Bill, which we will debate next. The way that that is envisaged at the moment means that the Government will provide 20 times more in taxpayer incentives for investment in fossil fuels than in renewables. Although we are flattered that the Government eventually saw sense and adopted our idea of a windfall tax, the way that they are going about it is all wrong.

The Government are simply not going far or fast enough to tackle the climate emergency. There has been no investment in the gigafactories that we desperately need to boost production of electric vehicles in the UK. That is about not just producing batteries here but

ensuring that we retain the car manufacturing that is essential to many of our communities. That investment would also create 30,000 good green jobs in the process.

The installation of EV charging points is still moving at a snail's pace, like some of the cars, with only 830 public chargers installed last month and the need for at least 270,000 more by 2030 to keep pace with demand. It is good that people are choosing to make the shift, but they need support from the Government to get from A to B; anyone who has an EV knows the perils of trying to find a public charging point when they need one. Energy intensive industries such as steel are still crying out for investment to help them to make the transition to low-carbon manufacturing.

The Government seem to be running scared of investing in climate action. They can only see the cost and they are blind to the opportunities. The Minister should remember that the Climate Change Committee estimates that even without factoring in the benefits of green growth or the impact on public health, reaching net zero will cost less than 1% of GDP. Another 0.5% of GDP could be saved by moving away from costly fossil fuels rather than fracking for more, as the Department appears determined to do. Wise investment would lead to lower bills for consumers, good green jobs and sustainable economic growth. It is not just right to tackle climate change; it will get us out of this cost of living crisis.

Labour will treat this issue with the seriousness it deserves by investing £28 billion a year to tackle the climate emergency, grow the green economy and get cheap green technologies into people's hands. People want to upgrade their homes to bring down bills, they want to buy electric cars that will be cheaper to run as well as more environmentally friendly, and they want to make greener choices about what they consume, but the Government have to step up to support them in making this transition. That means recognising the urgency of the situation, putting climate action at the heart of every spending decision—on homes, energy, transport and more—and doing a lot better than the Government are doing now.

6.40 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Lee Rowley): Thank you, Mr Deputy Speaker, for the opportunity to contribute to this debate. I congratulate my right hon. Friend the Member for Ludlow (Philip Dunne) on opening the debate so ably and posing the questions he rightly did, given his responsibilities as Chair of the Environmental Audit Committee.

Obviously, today is a quiet day in the eyes of the world, as the hon. Member for Bristol East (Kerry McCarthy) said. It may be correct that they are elsewhere, but we will none the less continue to discuss, debate and focus on the important issues that I think this Government have been serious about trying to address. We have been serious about trying to put frameworks in place and show a clear direction of travel, and we do that in the knowledge that net zero is a challenge. It is therefore right to ask the questions and undertake scrutiny, and that is why I want to focus today on the long term.

I think the important thing when we talk about net zero is to start from first principles. We often dive straight into this debate, and there have been some very

good contributions today, but I think that first principles are a good place to begin. Most people in this place and across our country accept that human beings have had an impact on the world, and that that has changed over recent centuries. We all share the desire to tread more lightly on this earth and consider it appropriate that action is taken to do that.

The Government's choice, and the choice of the centre right all around the world, is to seek to harness the immense power of capitalism, the immense ability of individuals and the immense ingenuity of human beings to find a way, in conjunction with Government, to achieve a resolution that ensures that we tread more lightly and get to the end point that we seek. That is on the basis of clear frameworks, of creating the conditions for investment—we are in the process of doing that—and of subsidy where that is reasonable and proportionate.

The first thing in a big task, which is what we have in front of us, is to have a plan, and the second thing is to execute that plan. Over the last year, we have now set out that plan—the net zero approach. Yes, it has assumptions in; yes, it is setting targets; and, yes, there will be challenges, but the whole point of a plan is to demonstrate direction. For those hon. Members who somewhat avoided this point in the debate, the plan has been lauded in the United Kingdom and elsewhere, and it was adopted early, demonstrating the commitment to trying to make progress. Now, the challenge is the execution of that plan.

I must remind hon. Members, particularly those who are extremely keen to see progress, as we all are, that we are nine months into a 29-year process. That means that there are issues, things will change and there will be progress reports; we will come back with a progress report in the usual way later in the year. It will be appropriate to look at the status, and some people will, of course, want to go further. However, we have the plan and we are executing it, and I think we are showing a consistent, calm and methodical approach to these very serious issues that recognises where we want to go and how we should get there.

I turn to some of the speeches and interventions. My right hon. Friend the Member for Ludlow introduced the debate, and I am grateful to him for his opening speech. He rightly holds us to account, and he is right that we live in challenging times—something that has to be considered in today's discussion and in all our debates in this place. We have consensus about where we should move to. He is right to ask the question, but I hope he does not think that our attempts to move forward methodically, recognising that there are still challenges and that we still need to take time to work out how to approach things, can be described as waiting for something to turn up. I am sure he will not think that. Sector by sector, industry by industry, and element by element, we have to work out where the market or individuals will resolve the issues themselves, where it is reasonable and proportionate for the Government to subsidise the development and execution of solutions, and where other solutions may work.

Let us take aviation, which was considered by my right hon. Friend's Committee a few weeks ago. We are still relatively early in the curve of knowing exactly what technology we will use. Working that out will allow us to quantify the cost of that technology, and to work with individual aerospace companies on how to

[Lee Rowley]

approach the subject. Using a framework, a strong approach and collaboration, we must work through how to get to the end point that we want in aviation.

Caroline Lucas: The issue is not just that the Government are not bringing forward good stuff fast enough—in other words, the delivery gap that the Committee on Climate Change referenced. The Government are also doing bad stuff. The Committee on Climate Change said that the Government's plans for more new oil and gas projects in the North sea did not make economic sense. Will the Minister listen to that committee, which is there to give him advice, and look again at the reckless idea of extracting yet more oil and gas from the North sea? That will not get our prices down, and it will not help with the cost of living crisis.

Lee Rowley: The hon. Lady and I have spoken about this before, and I know she has discussed the issue with my colleagues. We recognise that we are in a transition, and that fossil fuels are required to get us to the end. The aim of the transition is to get us to net zero, and a requirement of net zero will mean that for certain processes, we will still have to use a much smaller amount of fossil fuels, accompanied by capture technology.

Caroline Lucas *indicated dissent.*

Lee Rowley: The hon. Lady shakes her head, but the alternative is closing down large swathes of industry. If she wants to make that case to the electorate, she can do so and see whether they agree. There would be a lot of people unemployed or without livelihoods, and a lot of industries that would close down. It would not benefit the world as a whole, because those industries would just move elsewhere and offshore. Those are exactly the kinds of unintended consequences that the centre left in this country need to think through, understand and work through before they suggest—as they do, incorrectly, regularly—that they have a viable solution to climate change.

The hon. Member for Bristol North West (Darren Jones) is rightly keen on delivery, as am I. Having sat on the Public Accounts Committee for 18 months in the previous Parliament, I know that delivery is at the core of what we should all seek to do in this place. Policies are one thing, but making sure they are implemented can be very different. I hope the hon. Gentleman will accept that we are in the relatively early phases of some elements of the net-zero plan, and that he will give us time to develop the propositions, as we have done over the last year. We must ensure a strong delivery focus, just as my colleagues in the Department for Business, Energy and Industrial Strategy have done, and I am sure that will continue to be the case in the months and years ahead.

I have the greatest respect for the hon. Gentleman. We have worked closely together on other areas, and we share a similar corporate background. He will know from our time in corporate life about the importance in project management of sending signals and ensuring that clarity about where we are going. The combination of those signals, our track record, and the road maps that we have published for carbon capture, utilisation and storage, for hydrogen, for auto, and for other things will provide some comfort that we are making progress.

We obviously have a disagreement about the level of state intervention in certain areas, and I am sure we will continue to debate that in forums such as this Chamber.

My right hon. Friend the Member for Kingswood (Chris Skidmore) makes a number of important points about ensuring that we have a long-term approach. To take aviation as the example again, the challenge is in ensuring that we understand exactly what that will look like and where it will go. However, I accept and acknowledge his point. He also rightly made a point about the importance of dependency, in this instance on fossil fuel producers. He and I have had discussions about not wanting to switch from dependency on fossil fuels to dependency on critical minerals. That is why the Government will introduce a strategy on critical minerals in short order.

I am grateful to the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for his comments, in particular on onshore wind, which I will certainly pass on to my right hon. Friend the Minister for Energy, Clean Growth and Climate Change. He made an incredibly important point about the importance of having local supply chains where possible. On Thursday, I visited Siemens in Goole, and it was heartening to see that much of the supply chain for the amazing new facility coming to the East Riding is made up of local businesses and local people from across Yorkshire. They are ensuring that we have a fantastic train factory that will allow us to support net zero.

My hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) was right to highlight the importance of transition within net zero, which I have covered, and of not demonising but working with industry. My hon. Friend the Member for North East Bedfordshire (Richard Fuller) made an incredibly important point about individual agency. He spoke about the importance of taking people with us, and of ensuring that we undertake this massive task of treading very lightly on the Earth by 2050 with the consent of the people we represent. We do that by calmly and methodically setting frameworks and defining approaches.

The hon. Member for Falkirk (John Mc Nally), in summing up for the Scottish National party, talked about mechanisms for demand in the British energy security supply strategy. That should be looked at in concert with other strategies, documents and frameworks that have been brought forward. I encourage him to do that. The Labour spokesperson, the hon. Member for Bristol East, extensively referenced the Climate Change Committee report. As I said, we will respond on that in due course. We welcome all outside organisations' comments, but it is important that there be recognition in the committee's document of what the UK has achieved, that it is a world leader, and that it has set the right course. It is important that we provide all of that in the round.

I am grateful for all the contributions to what has been one of our better debates in this place. This is a hugely important issue. We recognise, as did most of the contributions, that this is a long-term issue. In some places, we have made huge progress—there has been a 40% reduction in carbon emissions in the last 30 years—but we have some way to go. That is the entire point of net zero, and of the Government working with business to harness the fantastic ingenuity of capitalism, so that we

can make progress. I look forward to more of it being achieved, so that we can ensure that the objective of treading lightly on the Earth by 2050 is achieved.

Mr Deputy Speaker (Mr Nigel Evans): I call Mr Dunne to wind up briefly.

6.53 pm

Philip Dunne: Thank you, Mr Deputy Speaker; I certainly shall wind up briefly. I will not take time congratulating hon. Members on their contributions to the debate, all of which exhibited consistency in recognising that while this country is a leader in responding to climate change, we have a great deal further to go. There is a broad understanding across the House, as was reflected in everyone's contributions, that there is an opportunity before us, which is enhanced by the energy crisis and the changes to the energy markets in the last 12 months or so, and we need to grasp it. We need to add pace to the frameworks and the delivery of the strategies that the Minister ably evidenced.

I appreciate that we have been through a difficult period; the last two years of covid undoubtedly interrupted many plans that were in germination, and it has taken time to get them out, but now is the time. Last week's report by the CCC, which several hon. Members referred to, made that crystal clear. I mention in particular the hon. Member for Bristol North West (Darren Jones), and the role that his Committee plays in holding the Department to account.

The time is now. We need to get on with these strategies. It may not be possible to do that in the next 24 hours or seven days, but certainly this year we must take greater strides in getting the plans out there, so that the industries that implement them—it will be mostly the private sector that does the heavy lifting—understand the environment in which they are delivering our net zero ambitions, which everybody across the House shares.

Question deferred until tomorrow at Seven o'clock (Standing Order No. 54).

Ways and Means

Energy (Oil and Gas) Profits

Mr Deputy Speaker (Mr Nigel Evans): None of the amendments has been selected, so I call the Minister to move the motion.

6.55 pm

The Financial Secretary to the Treasury (Lucy Frazer): I beg to move,

That provision may be made for, and in connection with, imposing a charge on ring fence profits of companies (within the meaning of Part 8 of the Corporation Tax Act 2010).

This Bill deals with the taxation of extraordinary profits in the oil and gas sector, but it is important to remember that its effect is to allow us to focus on supporting families up and down the country at this difficult economic time. The Bill will help us to raise revenues and support families while continuing to encourage investment in North sea oil and gas.

Darren Jones (Bristol North West) (Lab): I wonder whether the Treasury has made any assessment yet of how much money will be raised by this windfall tax, given the debt that will need to be taken on as a result of the tax cut for those drilling for fossil fuels. Is there an estimate of how much the Minister intends to raise by these means?

Lucy Frazer: The estimate of the amount that the measure will raise is £5 billion over the course of the first year. I start by highlighting the context for our introducing the Bill. The oil and gas sector is making extraordinary profits. Those profits are not the result of recent changes to risk-taking, innovation or efficiencies; they are the result of surging global commodity prices, driven in part by Russia's war. The profits are over and above what analysts and businesses in the sector could have expected to earn. Indeed, since early last year, oil prices have nearly doubled and gas prices have more than doubled. The Bill is being introduced at a time when many of our constituents are struggling with the cost of living, and at a time when we have said that the Government will support the most vulnerable and the least well off in getting the support that they need.

I would like to touch on how the Bill ensures that we tax extraordinary profits fairly while incentivising investment. To do that, we are introducing the energy profits levy, a new 25% surcharge on the extraordinary profits that the oil and gas sector is making. At the same time, the new 80% investment allowance will mean that businesses will, overall, get a 91p tax saving for every £1 they invest. This provides them with an additional immediate incentive to invest. That nearly doubles the tax relief available and means that the more investment a firm makes, the less they will pay. As set out in the energy security strategy, the north will still be a foundation of our energy security, so it is right that we continue to encourage investment in oil and gas. The Government expect the energy profits levy, with the investment allowance, to lead to an overall increase in investment.

I want to make clear what the investment allowance will apply to. First, the allowance will be calculated in the same way as the investment allowance for the existing supplementary charge. Therefore, if capital or operating

[Lucy Frazer]

expenditure qualifies for the supplementary charge allowance, it will qualify for the energy profits levy allowance, but unlike the supplementary charge, it will be available to companies at the point of investment. This makes it both more immediate and more generous. As the levy is targeted at the extraordinary profits from oil and gas upstream activities, it makes sense that any relief for investment must also be related to oil and gas upstream activities. Such spending can be used to decarbonise oil and gas production—for example, through electrification—so any capital expenditure on electrification, as long as it relates to specific oil activities within the ringfence, will qualify for the allowance. Examples of activity that may be carried out for specific oil activities include expenditure on plant and machinery such as generators, which includes wind turbines, transformers and wiring.

We have also been listening closely to feedback from industry. We published draft legislation for the Bill on 21 June to seek technical feedback. Two weeks ago, the former Chancellor met industry stakeholders in Aberdeen to discuss the levy—not just to communicate the aims of the levy and how it will fund vital support for families, but to ensure that the levy works as the Government intended. That is why I can confirm that the Government are making a change to the legislation. I confirm that tax repayments that oil and gas companies received for petroleum revenue tax related to losses generated by decommissioning expenditure will not be taxed under the levy. Since wider decommissioning expenditure is also left out of account for the levy, that change is consistent and fair. We are very grateful for the engagement that we have had with industry on the matter. When the Bill is published, this will be made clear. To reassure the House, with this change, the Government still expect the levy to raise about £5 billion over the next year.

Finally, let me turn to how long the levy will be in place. It will take effect from 26 May this year and it will be phased out when oil and gas prices return to historically more normal levels. A sunset clause will also be written into the legislation so that, by the end of 2025, the levy will automatically cease to be in place. The energy profits levy is temporary, with a set lifespan that raises about £5 billion revenue over the next year, so that we can help families with the cost of living in the shape of significant, targeted support to millions of the most vulnerable.

7.1 pm

James Murray (Ealing North) (Lab/Co-op): We have been waiting for many months for this day to come, but here we finally are: I am referring not to the news that has broken within the last hour outside this Chamber, but to the fact that the Government are finally implementing a windfall tax, even if the Minister absolutely refused to say those words in her remarks.

The Conservatives are finally introducing a windfall tax on oil and gas producers' profits more than seven months after the shadow Chancellor, my hon. Friend the Member for Leeds West (Rachel Reeves), first set out Labour's plans for one. In the seven months since Labour first called for a windfall tax, the cost of living pressures facing people across the country have grown relentlessly and oil producers' profits have soared.

Since the start of the year, energy bills have spiralled by £700 for a typical household. Inflation has risen to 9.1%, the highest level in 40 years, and taxes on working people's pay have jumped thanks to the Government's decision to hike national insurance contributions. This year has seen the cost of living rise unrelentingly, while oil and gas producers' profits have in some cases tripled.

A fair solution has been staring the Government in the face: levy a one-off windfall tax on North sea oil and gas producers' extraordinary profits and use that money to help to cut people's energy bills at home. Yet when, on 9 January this year, the shadow Chancellor first called on the Government to levy such a tax, Conservative MPs were falling over themselves to oppose it. The Education Secretary—as it happens, a former oil industry executive—came out firmly opposing a windfall tax on oil and gas producers on the ground that they, the oil producers, were already “struggling.” The Business Secretary said:

“I've never been a supporter of windfall taxes.”

The Northern Ireland Secretary said that he thought that a windfall tax

“sounds attractive but doesn't work”.

The Deputy Prime Minister claimed that it would be “disastrous”.

Ministers and their Back-Bench Conservative colleagues then went on to vote against our plan for a windfall tax on three separate occasions. So, despite our common-sense plan for a windfall tax receiving wide support across the country—with even some oil producer bosses backing its logic—Conservative Ministers simply refused to get on board until 26 May, the day after the Sue Gray report was published, when the Prime Minister and the former Chancellor suddenly changed their minds. It seems clear that what finally caused the Conservative leadership to change course and back a windfall tax was the need for a different set of headlines in that week's news. Whatever it took to get the Prime Minister and the former Chancellor over the line, we were relieved that they finally agreed to back a windfall tax. We were relieved that some help with soaring energy bills was finally on its way.

But that is no way to run the country—and what a cost those months of delay have had. For every day that Conservative Ministers refused to act, £53 million has been added to Britain's household bills during this cost of living crisis. Next Monday, when we consider the Bill that will follow the resolution, the Opposition will urge Ministers to make right their delay in introducing the windfall tax. Otherwise, their months of delay will leave the public finances missing out on billions of pounds of tax revenue that could have supported further help for people with the cost of living.

We know from the draft Bill and from what the Minister said that the Government are planning to introduce a brand-new tax break for oil and gas producers. That will give money back to the same firms that are supposed to be paying their fair share through the windfall tax. The Minister was unable to answer when my hon. Friend the Member for Bristol North West (Darren Jones) intervened, but our analysis shows that that tax break could lead to a third or more of any revenue from the new levy being handed straight back to the oil and gas producers.

It is a subsidy that even oil executives do not seem to think necessary. It will subsidise projects that would almost certainly have happened anyway, and it will see 20 times more being given in taxpayer incentives to oil and gas producers than to firms investing in the renewable energy of the future, yet the Government seem determined to push ahead with their tax break. When we consider the Bill next Monday, we will urge Ministers to think again about that unnecessary tax break for oil producers, which will undermine both the impact of the windfall tax and our country's wider efforts to tackle the climate crisis.

We are relieved that the Government are finally proceeding with a windfall tax, and we will support the motion, but the Conservatives' whole approach has shown so much of what is wrong with the way they conduct themselves in power. When we called for a windfall tax, they spent months opposing it as strongly as they could. They dismissed a fair and common-sense way, which was staring them straight in the face, to help people who face soaring energy bills. Then they changed course, not because it was the right thing to do, but because they needed a new headline to take attention away from the Prime Minister's lack of integrity in office. Now, as they finally reveal the detail of their windfall tax proposals, they immediately undermine its effectiveness, and any wider efforts to tackle climate change, with a new tax break for oil producers. Their instincts are wrong. Their priorities are wrong. The way they run our country is wrong. With the windfall tax, we have shown that Labour is winning the battle of ideas in Britain, and that Labour will provide the leadership that our country needs.

7.7 pm

Sir Robert Syms (Poole) (Con): As the motion relates to a Treasury matter, may I pay tribute to the former Chancellor, my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak)? He had to get the country through a difficult period in the pandemic. He produced a number of interesting schemes, such as the furlough and the self-employment income support scheme, where the software worked and where people were helped. I think he was very creative in the way he handled a difficult situation. I know that it is not always easy for senior politicians to take decisions such as the one that he has taken today. I wish him well, along with the former Secretary of State for Health and Social Care, my right hon. Friend the Member for Bromsgrove (Sajid Javid). We will see how events unfold.

Let me start by taking a traditional Conservative position and saying that I do not like windfall taxes. The North sea is a tremendous British success story. We have got oil out of deep seas using technology, investment and British initiative over decades and we have benefited the nation in doing so. We are a nation that has oil and gas all the way around its coast, as Professor Peter Odell used to say in the 1970s. It is just a question of whether it is viable to get it out, and whether the tax and investment regime is good enough.

The North sea is quite mature now. Although the rise in prices is unwelcome for motorists, it certainly gives the opportunity to extend the life of some fields and makes other oil fields with more marginal prospects more viable. If we are looking for a resilient future for our country, getting the best out of our natural resources in the transition to net zero, I think we ought to have a

stable tax network, not act like a Venezuelan junta by jumping in and trying to take money away from oil companies. And what are oil companies? They are normally vehicles for pension funds for lots of elderly people living up and down the country who rely on that income to pay their cost of living bills. There is no such thing as a painless tax rise. There is no magic money tree if we go and punch the oil and gas companies in the mouth. I think this is a very short-sighted policy. It may raise money, but the consequences are long term, and it may have an impact on investment.

Apart from the creation of an oil industry, there are thousands of jobs in oil services in and around Aberdeen, in many other parts of the United Kingdom and, now, worldwide. I think we ought to be proud of what this country has achieved, and we ought to be doing what we can to support those well-paid and important jobs as we go towards net zero.

I am not going to divide the House today. I do not think I would get a seconder, as I am probably the only person who is against the windfall tax at the moment, but we will see how this transpires. I think that a stable tax system in which people in the oil and gas industry can look decades ahead—because investment decisions sometimes take decades—is a much better way of dealing with the situation.

Kerry McCarthy (Bristol East) (Lab): I understand the hon. Gentleman's arguments, although I do not agree with them, but has he an alternative proposal for helping people to bring down their energy bills? I am sure that many of his constituents are deeply worried about how they will make ends meet, particularly with the next increase in bills coming this autumn. How does he suggest we help them?

Sir Robert Syms: I am not sure that the £5 billion raised from the oil companies will find its way into the pockets of people who are worried about their energy bills. As far as I know, it is going into the Treasury.

I return to my original simple point. The Government have already undertaken a number of measures to help with bills; the problem is the lag between the decision making and the assistance that they are giving. So there is always more pressure to do more. I am hopeful that, as we proceed, people will suddenly see some of the bail-out help with bills that the Government have already factored in. But I think that a stable tax system is a better way of proceeding than adding a higher levy on top of corporation tax rates, which are already higher than the rates for most other companies. Let us not forget that many of these oil companies were losing money 18 months ago when we were in lockdown.

I am unhappy with this policy. I will find it interesting to see how the Government bring the positives forward. I am pleased that they have listened to representations—and the former Chancellor was talking to the oil industry—but I think that in the long term this is bound to have a negative effect on investment in the sector, and that what we should be doing is cherishing and encouraging the sector so that we import less from other countries and give ourselves more resilience and security of supply.

That is really all that I wanted to say. I wanted to make my reactionary right-wing comments about windfall taxes, and I did not want the motion to go through without my putting them on the record.

7.13 pm

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to see you in the Chair, Mr Deputy Speaker. What a strange evening for us to be making speeches in the House. While the Minister did a good job of putting forward the policy, we have to ask who the Chancellor will be by the time the Bill comes to the House next week and, indeed, whether it will still stand when it does come.

The Tories have come here today with a “temporary refund adjustment”, an “energy profits levy”, a windfall tax by any other name. It is a tax that Tory Members were vehemently against all the way up to the point when the now former Chancellor announced it, yet he still came to the Treasury Committee to tell us that he did not believe in windfall taxes. So I can only speculate that this may be one of the reasons why he chose to resign this evening—one of the areas in which he and the Prime Minister apparently disagreed in private—and one of the reasons why he was no longer prepared to give a speech on the economy with the Prime Minister next week, as planned.

Today we see the UK Government finally getting round to doing something about these excess profits; as always, at the coo’s tail. They have the full suite of economic powers to act, but they continue, again and again, to lack the will or the imagination to do so—to support people through a cost of living crisis that they helped to create.

The SNP has been consistent in calling for a windfall tax on excess profits since June 2020, in response to the soaring profits then being made by Amazon and other online retailers during the pandemic. My colleague in the Scottish Parliament and evangelist for Paisley, George Adam MSP, raised that issue and the Scottish Government Finance Secretary Kate Forbes certainly agreed with the principle. It is disappointing that this UK Government, and indeed the official Opposition, have looked only narrowly and in a limited fashion at oil and gas and ignored all the other areas where super-extraordinary profits have been soaring during this pandemic.

Today we see Scotland’s oil and gas resources being used yet again to bail out the UK Treasury. The Tories have made a very specific choice to focus their raids on super-profits not just on Scotland but on one particular part of Scotland: the north-east. Aberdeen and the towns around it have contributed significantly—over £300 billion—to the UK balance sheet, yet when it comes to carbon capture and storage or the Scottish cluster, that area is left on the subs bench, waiting on a list instead of leading a just transition. The UK Government will not even match the Scottish Government’s commitment to the just transition fund.

I have listened carefully to those in the oil and gas industry, and the lack of predictability and consistency in the taxation regime comes up again and again. When the industry expert Nathan Piper gave evidence to the Treasury Committee back in March, he spoke powerfully about the impact this has on confidence and investment. Yes, we know that oil and gas can be volatile, but when we look just across the water to Norway, we see a reliable stewardship of resources and the world’s largest sovereign wealth fund. Scotland, look at what you could have won, had it not been for the squandering and mismanagement of our natural resources by each

and every UK Government since the first drop of oil was extracted. Schrödinger’s Scotland: a country too poor to be independent but simultaneously so rich that the UK Government can use Scotland’s North sea as a £5 billion cash machine.

In the early years of North sea oil and gas, revenues were used to pay for Thatcher’s mass unemployment. Gordon Brown’s raid in the early 2000s was used to pay for cuts to fuel duty, and the current Tory Government are now zoning in on oil and gas to tackle their own Brexit cost of living crisis when other options are available to them. This comes at a time when the Treasury is raking it in from additional tax receipts from the soaring prices of fuel, energy and goods, giving the former Chancellor an extra £30 billion of fiscal headroom in his budget.

What of the environment and the promises made at COP26? The new investment allowance is, in the Treasury’s own words, an

“incentive for the oil and gas sector to invest in UK extraction”.

It is as though the Treasury has forgotten that COP26 happened at all. This is clearly contrary to the Scottish and UK Governments’ climate objectives and to the commitments they made to the world last November. The UK Committee on Climate Change has stated:

“An end to UK exploration would send a clear signal to investors and consumers that the UK is committed to the 1.5°C global temperature goal.”

Where stands that commitment now? We on the SNP Benches welcome investment, but any incentives must be balanced across sectors and encourage sustainable investment towards a just transition and into renewables, rather than the short-term, carbon heavy investment that the former Chancellor was encouraging. We also know that any investments from this are unlikely to have an impact on our household energy bills anytime soon, but that is where this crisis lies.

A further source of worry to those not in the oil and gas sector is the now former Chancellor’s plans for a further raid on other energy producers, putting at risk Scotland’s key renewables sector. The former Chancellor refused to tell me in the Treasury Committee whether he had even picked up the phone to the Scottish Government to discuss these plans with them. He talked about extraordinary profits, but could not define what they were and who was making them. The Secretary of State for Business, Energy and Industrial Strategy seems to know little of the plans, passing the buck back to the Treasury. All of this is undermining confidence in a sector that could not be more crucial to the future of our planet.

What happens now? When will we hear further details of those plans? The Chancellor claimed a month ago that it would be in “weeks”. Will the plans for other energy producers come forward before the recess? Will the Minister put a date on it? Will there be more tax breaks for renewable development, or is it only oil and gas exploration that get the tax breaks? Will these measures be spliced into the Bill next week? Will we even see a Bill next week? This is more short-termism, more inconsistency and more poor stewardship of Scotland’s resources by a Government we did not elect. Scotland is a renewables powerhouse, and we on these Benches will resist any attempt to stifle that industry and to raid the profits. It used to be said that it is

Scotland's oil. We can now say that it is Scotland's wind, Scotland's waves, Scotland's tides, Scotland's solar and Scotland's hydrogen. Westminster lies in chaos. It is Scotland's opportunity on 19 October 2023. Let us put the power in our own hands.

7.19 pm

Christine Jardine (Edinburgh West) (LD): This is a strange evening indeed to be discussing the motion before us, which is in the name of the now former Chancellor.

The Liberal Democrats first called for a windfall tax back in October last year. If a windfall tax had been brought in then, £3 billion more would already have been raised for the Exchequer. That is £3 billion that could have been used to offset the hardship faced by families and pensioners up and down the country who are struggling to cope with the cost of living crisis.

There are many more things that need to be taken into account, and I hope that the new Chancellor, whoever he or she may be, listens to the people of this country who have been taken for granted for far too long. However, I must admit that I find it strange to hear the SNP talking about the chaos created by Westminster when those of us who live in Scotland know about the chaos that is being created there—in the NHS, with its longest waiting times; in our education system, which is failing; and with record drug deaths.

Briefly—because this is an important night—I remind the Government that there was something they could have done earlier for the people of this country to alleviate the hardship of the cost of living crisis. There is more that they can still do: they can cut VAT. I hope that between now and Monday they might change the windfall tax to help it raise more money, and they might reconsider the money that will go into fossil fuels rather than green technologies.

7.21 pm

Caroline Lucas (Brighton, Pavilion) (Green): The Government are introducing this Bill in response to the extraordinary profits being made by the oil and gas sector—profits that are not earned but are a consequence of high global gas prices, fuelled by Russia's illegal invasion of Ukraine. As families across the country are struggling to make ends meet, faced with rising energy bills and a cost of living scandal, energy companies operating in the UK are predicted to make an eye-watering £11.6 billion of unexpected windfall profits this year from oil and gas extracted from the North sea. Not only is it right that those windfall profits are taxed and redistributed to provide vital support to households, some 6.5 million of which are now living in fuel poverty, but, frankly, it would be morally reprehensible to do anything else.

I therefore welcome the fact that the Government are finally introducing a windfall tax—or an “energy profits levy”, as Ministers prefer to call it. That is something that I, too, called for a very long time ago. However, I am extremely concerned that it is being rushed through, with the consultation open for just five working days and the Bill receiving only one day of full scrutiny in this House. That is patently insufficient time to consider legislation of this complexity and importance.

We must consider first whether the tax is set at a level that constitutes an adequate response to the ongoing energy crisis. In the sixth richest country in the world, April saw more than 2 million adults not eat for a whole day because they could not afford or access food. The energy levy is one of the tools we have to tackle this social scandal. We have a deep responsibility to use it to full effect and to ensure that this is the beginning of the end for such grotesque levels of poverty and inequality.

Secondly, we must consider the impact of the proposed investment allowance on not just domestic but global emissions. I know that the Treasury does not even recognise the idea of subsidies in the fossil fuel sector, but that does not change the reality. Make no mistake: this is a subsidy. It is reckless, and its climate impacts make a mockery of the Government's claim to global climate leadership.

I understand the Government's desire to give certainty to companies and bring forward this tax with urgency, but the draft explanatory note makes it clear that the levy

“will have effect for profits arising on or after 26 May 2022.”

In other words, it is already backdated. That means that allowing more time for proper consultation and scrutiny would not materially affect the outcomes of imposing the levy.

I support going further than the Government intend to by imposing a permanent tax on companies, to be levied at a rate of at least 30%, bringing the total level of tax on oil and gas company profit to 70%. That 30% increase is a small one on the Government's proposed 25% levy, yet it would bring the UK in line with the global average, joining countries such as Angola and Trinidad. It has been estimated that a tax of that level would generate an additional £13.4 billion for the Exchequer. I made this point in my submission to the Government's consultation, and I very much hope that Ministers will judge that it warrants serious consideration and will revise their Bill accordingly before it is presented to the House next week.

On the permanency of the tax, I know that Ministers will point to the fact that this Bill is intended to address the windfall profits of oil and gas companies, and that there will come a time again when gas prices are lower and profits are not so high. But as the Treasury team know, the UK currently has the lowest tax take in the world from an offshore oil and gas regime. That is not a badge of honour; it is a badge of shame. In Norway, the Government get \$22 per barrel of oil in tax, whereas here in the UK we are talking about just \$2. So we should use this opportunity to bring the UK in line with the permanent tax rate of other countries, regardless of the scale of profits.

One other change is crucial: preventing this Bill from including the 80% so-called “investment allowance”. That outrageous proposal would, according to the Government's own factsheet, mean that for every £1 that businesses invest in North sea oil and gas they will

“overall get a 91p tax saving”.

First, let us consider the fact that this relief will come at a huge cost to the taxpayer. Analysis by the New Economics Foundation showed that the investment allowance would cost £1.9 billion a year, because any subsidised oil and gas projects will not start to return a profit until after 2025, the date of the sunset clause laid

[Caroline Lucas]

out in the draft Bill. The E3G think tank estimates that lost revenue from the investment allowance over the next three years could have insulated 2 million homes over the same period, saving households £342 a year, on average. I struggle to believe that anyone thinks that handing money back to oil and gas companies is better than kick-starting the street-by-street nationwide home insulation programme that so many of us have been speaking about at such length this evening.

Secondly, this allowance dangerously undermines our climate targets by actively encouraging new fossil fuel projects. Indeed, up to 39 fossil fuel projects are eligible for this “super-deduction” and could be developed in the next three years. Together, those could emit as much as 899 million tonnes of greenhouse gases, which is more than double the UK’s estimated net emissions in 2020. The International Energy Agency and the Intergovernmental Panel on Climate Change are clear that new fossil fuel developments are simply not compatible with limiting global temperatures to 1.5°. The most recent IPCC report in April was unequivocal that

“further installation of unabated fossil fuel infrastructure will ‘lock in’ GHG emissions and put 1.5°C out of reach”.

It could not be clearer. Alignment with 1.5° is not just some kind of “nice to have” benefit; it is literally critical to avoiding climate catastrophe.

Thirdly, this investment allowance will not help to address domestic energy security, because, as the Treasury team know, 70% of the remaining reserves in the North Sea are oil and are not the kind suitable for use in UK refineries, meaning that we currently export about 80% of it. I therefore urge the Government to reconsider this aspect of the proposal, which is not just bad for the public purse, but potentially disastrous for our planet and will not deliver the benefits that the Government may claim.

To conclude, at the World Economic Forum in Davos, Fatih Birol, the IEA’s executive director, was clear that decision makers should not use

“the current situation as an excuse”

to invest in projects that are incompatible with net zero. I very much hope that the new Chancellor, whoever they may be, will heed that warning and reform this Bill before it comes to Parliament next week.

7.28 pm

Lucy Frazer: It is a pleasure to respond to many of the interesting points that have been made, and I wish to touch on a few of them. The hon. Member for Ealing North (James Murray) suggested that this was his proposal for a windfall tax that we have adopted, but he will know that this is not Labour’s proposal, because it is significantly different. Not only does it bring in further revenues, but it introduces an investment incentive, to ensure that we get more from our oil and gas sectors.

The hon. Member also mentioned the cost of living. He will know that we are spending £37 billion on supporting people when they most need it, but the most important point is about fiscal responsibility. We on this side of the House believe in fiscal responsibility. That is why, unlike Labour, we have not made £100 billion-worth of unfunded spending proposals, which no amount of taxation would fund.

I understand the points that my hon. Friend the Member for Poole (Sir Robert Syms) makes. No Conservative Government is keen on additional taxes, but, as he will know, this is a temporary, short-term, focused additional tax that has a sunset clause and might well be brought to an end—there are provisions to allow that—when revenues return to normal.

I remind the House that the hon. Member for Glasgow Central (Alison Thewliss) called for more windfall taxes on other industries. That is obviously something that we would oppose, but the interesting point she made was about what she said was the mismanagement of resources. I remind the House of the mismanagement of the SNP Government in Scotland, whose health, education and justice budgets are growing more slowly in real terms than UK spending, and that the reason for that is the 50% increase in their welfare budget.

The hon. Member for Edinburgh West (Christine Jardine) suggested that her proposal would have delivered £3 billion more if this tax had been introduced earlier, but she forgets that the Lib Dem proposal was significantly less than what we have proposed in terms of revenues. The Lib Dems were proposing a 10% increase in the supplementary charge. She will know that our proposal is for a 25% increase.

Finally, I understand the perspective of the hon. Member for Brighton, Pavilion (Caroline Lucas), given where she comes from on these issues, but I am grateful that she has indicated that she welcomes the levy, although of course she would like it to be broader. With those comments, and with the leave of the House, I commend the Bill to the House.

Question put and agreed to.

Resolved,

That provision may be made for, and in connection with, imposing a charge on ring fence profits of companies (within the meaning of Part 8 of the Corporation Tax Act 2010).

Ordered, That a Bill be brought in on the foregoing Resolution;

That the Chairman of Ways and Means, the Prime Minister, Secretary Kwasi Kwarteng, Secretary Alister Jack, Chris Heaton-Harris, Greg Hands, Mr Simon Clarke, John Glen, Helen Whately and Lucy Frazer introduce the Bill.

ENERGY (OIL AND GAS) PROFITS BILL

Lucy Frazer accordingly presented a Bill to make provision for, and in connection with, imposing a charge on ring fence profits of companies.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 135) with explanatory notes (Bill 135-EN).

Business without Debate

DELEGATED LEGISLATION

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

ANIMALS

That the draft Animal Welfare (Miscellaneous Amendments) Regulations 2022, which were laid before this House on 19 May, be approved.—(Alan Mak.)

Question agreed to.

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

PENSIONS

That the draft Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, which were laid before this House on 6 June, be approved.—(*Alan Mak.*)

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That in respect of any bill brought in upon the ways and means resolution in the name of the Chancellor of the Exchequer relating to an Energy (Oil and Gas) Profits Levy, notices of amendments, new clauses and new schedules to be moved in Committee may be accepted by the Clerks at the Table before it has been read a second time.—(*Alan Mak.*)

PETITION

Eligibility Period for the Cost of Living Payment

7.33 pm

Anne McLaughlin (Glasgow North East) (SNP): There is a long-running concern, shared across the House, about getting people who are entitled to pension credit to apply for it. The uptake rate is around 60%, which means that almost £2 billion goes unclaimed every year by our older people. In Glasgow North East, that amounts to around £8 million unclaimed every year. This year is one of the hardest in living memory for the cost of living, and those on pension credit will be awarded a £650 cost of living payment. I and my constituents believe that this could act as a huge incentive for those older people to finally apply for what is, after all, their legal entitlement, but currently people have to be in receipt of pension credit by 25 May to get the payment. The petitioners therefore

“request that the House of Commons urge the Government to extend the eligibility period for recipients of Pension Credit to receive the Cost of Living Payment to the end of the fiscal year.

And the petitioners remain, etc.”

Following is the full text of the petition:

[The petition of residents of the constituency of Glasgow North East,

Declares that there is currently a low uptake of Pension Credit which has knock-on effects on receiving the Cost of Living Payment; notes that to get the first cost of living payment of £326, you must have been entitled to a payment, or later found to be entitled to a payment of a passport benefit, one of which is Pension Credit for any day in the period April 26 to May 25 2022; and further that if the eligibility period were to be extended, it could encourage people to apply for Pension Credit and receive the Cost of Living Payment.

The petitioners therefore request that the House of Commons urge the Government to extend the eligibility period for recipients of Pension Credit to receive the Cost of Living Payment to the end of the fiscal year.

And the petitioners remain, etc.]

[P002743]

Northern Ireland Act 1998: Northern Ireland Assembly and Executive

Motion made, and Question proposed, That this House do now adjourn.—(*Alan Mak.*)

7.34 pm

Stephen Farry (North Down) (Alliance): I am grateful to have secured this Adjournment debate. I thank the Minister of State for responding on what is a busy day.

This debate is about the operation of the Northern Ireland Assembly and Executive. The irony will not be lost on people that neither institution is currently functioning. Next year is the 25th anniversary of the Good Friday agreement. Its principles, components and interlocking relationships remain as sound as ever, but we do need to discuss and debate reform. This is a relevant matter for this House, as the issues of concern relate to the Northern Ireland Act 1998 and its subsequent modifications. Even at the time of the Good Friday agreement, some of us were concerned that some of the structures and mechanisms of the agreement were too unwieldy, and that it locked in a false assumption of two communities.

The agreement put in place a rather hard consociational model of power sharing when other approaches were possible. Over the past quarter of a century, the reality of continued breakdowns in Government, including in the present day, plus demographic change and electoral realignment make the need and urgency for change even more compelling. Since the institutions were first formed in 1999, they have been either suspended or non-functioning for 43% of the time. Surely, that reflects an underlying problem. Reform should happen because it is the right thing to do, but there is also a clear self-interest in progressing reform for the Government and the other guarantors of the Good Friday agreement.

I do not want to dwell on the protocol; that this is not what this debate is about. However, it is important to acknowledge that Brexit posed particular challenges to Northern Ireland—a society that works only on the basis of sharing within the context of interdependent relationships and a close partnership between the UK and Irish Governments. Before 2016, there was a certain fragility to the institutions, but in the context of Brexit, sustaining governance becomes even more problematic. The Government are currently pursuing their protocol Bill. I am on record as saying that it is unnecessary, unwanted and counterproductive, but it may not be successful in its objective of securing the return of the Democratic Unionist party to power sharing. Even if that were to happen, it might be built on such insecure foundations that governance proves impossible to maintain, and we know that Northern Ireland has seen a succession of crises.

If, come the late autumn or early next year, the Government are still at an impasse and facing prolonged deadlock, they face a range of unpalatable options. Recurring elections without a change in dynamics would see little change in the order of the parties, but perhaps even greater polarisation. Continued deadlock with care and maintenance from civil servants, and perhaps with this Government setting an annual budget, is not sustainable. Direct rule is one-sided and undemocratic, and it would not be regarded as balanced or legitimate. Many would argue that any direct rule would require an

Irish dimension. However, that would be particularly challenging in the current context of difficult Anglo-Irish relations, and it would also be very difficult to get the balance correct without creating offence to one or other of the competing sides in Northern Ireland.

Therefore, in that context, reform of the institutions to allow those parties with mandates that are willing and able to govern should be considered. A range of reforms should be considered. Some are longer term, but others are measures for which there is a clear necessity in the current context.

The most egregious aspect of the current structures is the designation system and the associated so-called cross-community voting system. That designation system has three major flaws. First, it locks into the public square that Northern Ireland is and will perpetually be a society based around two competing communities in which political, national and religious identity perfectly coalesce: where Unionist equals British equals Protestant, and nationalist equals Irish equals Catholic. That ignores the reality of open, mixed and multiple identities, those who have come to live in Northern Ireland and those who have moved away from traditional formulations of identity or formed relationships and even families across the traditional divide.

Secondly, the mechanism sends out negative messages about the continuation of division and impinges on efforts to build a shared and integrated future. Thirdly, there is a lack of equality of votes. My Alliance party colleagues in the Assembly, who sign as “united community” and are treated as “Other”, do not see their votes counted as equal whenever cross-community voting mechanisms are either required by law or invoked by a petition of concern.

The two thresholds are either 50% of unionists, 50% of nationalists and 50% overall; or 60% of unionists, 60% of nationalists and 40% overall. That could perhaps have been dismissed as an anomaly back in 1998, when only eight out of 108 Members of the Legislative Assembly were non-aligned. Today, however, 18 out of 90 MLAs are neither Unionist nor nationalist. That lack of equality of votes is not something that would be tolerated in any other legislature. It certainly would not be accepted in this Chamber.

The current voting system also creates a low bar to vetoes. Most recently, on Friday 13 May, although 72% of MLAs present and voting supported the election of a Speaker, it was blocked. In comparison, in 1998 the support for the Good Friday agreement was 71% of voters, which was taken as a clear demonstration that sufficient consensus had been reached for progress, including among Unionists, nationalists and those who were neither.

The key reform should be to introduce a system of weighted-majority voting for all key decisions in the Assembly, with simple majority used for the bulk of votes. The threshold for that should be set at around two thirds of the Assembly, at a level that would ensure cross-representation of different traditions in support. A weighted majority could also be used to sustain a voluntary coalition, which would provide a more efficient, effective and flexible alternative to the current mandatory coalition. While a mandatory coalition has been broadly representative—I say broadly, as the D’Hondt formula is weighted towards the largest parties—it has not led to stable or effective government.

While much has been achieved under devolution, too many opportunities have been missed and many reforms blocked because of deadlock. Every Government needs to operate on the basis of trust, respect and partnership. There must also be a shared understanding of the common good, a commitment to cohesion and adherence to collective responsibility. Moreover, the current system depends on the active participation of both of the two largest parties. At different times in the recent past, both the Democratic Unionist party and Sinn Féin have withdrawn from the Executive, leading to its collapse. Indeed, in the early years of the Executive, there was also instability, with the Ulster Unionist Party walking out.

There is also the issue of vetoes inside the Executive. Much has been said in recent years about the misuse and abuse of the petition of concern in the Assembly. That was eventually addressed in the New Decade, New Approach agreement. However, the vetoes in the Executive that trigger a cross-community vote, which again exclude Ministers from non-aligned parties, are just as corrosive. Instead, after any Assembly election, it should be for the parties to come together and to negotiate an Administration and a programme that could be sustained under a weighted-majority vote.

I recognise that that would be the most far-reaching reform. It would require significant consultation and confidence-building measures. In particular, I am conscious of the perception that it could be misrepresented as a desire to exclude particular parties from government on a semi-permanent basis. That should not be the intention. Rather we should see parties moving in and out of government, as is the norm in other democracies.

Other reforms should be considered, including renaming the titles of First Minister and deputy First Minister as Joint First Ministers to reflect the reality that both posts are co-equal in all respects, including powers, responsibilities and status. The perception of winning and claiming the First Minister title has distorted and twisted Assembly election campaigns, at the expense of genuine debate about issues, and it has fed polarisation. This is probably not a reform to do mid-term, but it is something that should be changed ahead of the next planned Assembly election.

The inclusion of the First Minister and Deputy First Minister posts in the d’Hondt calculation, in the same way that the Justice Minister post is allocated by a separate procedure but counts towards that party’s allocation under d’Hondt, should also be considered. The removal of designations, the introduction of weighted-majority voting, and a different approach to Executive reform are all longer-term reforms. However, they are important and the Government should now be exploring them in earnest and initiating the process of change.

Short of those, there some more immediate and transitional reforms that should be considered now, especially in the light of the current breakdown and crisis. Northern Ireland does not currently have an Executive and the Assembly is not able to meet. There is a considerable build-up of Barnett consequential that cannot be allocated to address the cost of living crisis. Northern Ireland does not have an annual budget in place. Indeed, the rare opportunities that come from a multi-year budget are being squandered. It is absurd that when four of the main parties want to proceed with devolved government they are not able to do so.

Any immediate set of reforms should include the following. First, in order to facilitate Executive formation, the process of nominating the First Minister and Deputy First Minister must be amended. In a situation whereby the largest party eligible to nominate the First Minister or Deputy First Minister is unwilling to do so, the entitlement should be passed to the next-largest party, thereby creating the ability for those willing to nominate to do so. The St Andrews agreement significantly altered the basis on which the First Minister and Deputy First Minister are nominated. The Irish and British Governments supported this change in order to restore devolution back then. While on the one hand this demonstrates that the agreement can be amended, it is also an important example of changes that were made to alleviate the concerns of one political party that have had unintended long-term consequences.

We must therefore use this opportunity to improve the arrangements for nominating the First Minister and Deputy First Minister to reflect the realities of contemporary society in Northern Ireland and to prioritise the stability and sustainability of our political institutions. I believe that it is possible to remove nomination as a constant potential blockage in establishing the Executive. In a situation whereby the largest party eligible to nominate is unwilling to do so, the 1998 Act could be amended to permit the entitlement to be passed to the next largest party, thereby creating the ability for those willing to nominate to do so. Should a party refuse its entitlement, it would be able to do so without exercising an effective veto on the entire Executive.

Secondly, in order to facilitate effective government, including initial steps such as electing a Speaker and, in due course, endorsement of an Executive programme for government and budget, weighted-majority voting free from designations needs to be introduced as a matter of urgency. This should be on a figure of around a two-thirds majority of the whole Assembly.

Finally, to facilitate a functional Executive, cross-community votes within the Executive should operate as an equivalent to the petition of concern and be used only on key issues.

Some may say that these changes depart from the Good Friday agreement and should not be considered. However, it is crucial to acknowledge changes that have been made since 1998, including those at St Andrews in 2006 and, more recently, those in New Decade, New Approach in 2020. Some have been positive and some have been negative, but changes have been made none the less. Moreover, the details of the Good Friday agreement were never meant to be forever fixed in time. The agreement includes the basis for its own review and evolution. Next year will see the 25th anniversary of the agreement, and over those 25 years Northern Ireland has changed massively. Furthermore, opinion polls show considerable popular support for reform. The most recent “Northern Ireland Life and Times Survey” shows 60% support, reflected across all demographics, for a change in the voting system along the lines that I have outlined.

I acknowledge that Northern Ireland does need to have a form of government that recognises the realities of a diverse yet shared society. Power-sharing, equality and mutual respect are central to that, alongside the other interlocking relationships across these islands. Yet we must be open-minded and respond to not only the

desirability but necessity of reform to address changing circumstances while remaining true to the Good Friday agreement.

7.49 pm

The Minister of State, Northern Ireland Office (Conor Burns): It is a pleasure to respond to this Adjournment debate. Towards the end of a turbulent day, it seems fitting that we gather in the Chamber tonight to talk about big issues and serious challenges facing part of our United Kingdom. When the Prime Minister asked me to serve as Minister of State in the Northern Ireland Office last September, I became only the second Minister in the 50-year history of the Northern Ireland Office who is from Northern Ireland. As someone who is a Catholic, a supporter of the Union and from Belfast, I feel passionately about Northern Ireland and her wonderful people.

I express tonight my enduring gratitude to the Prime Minister for that opportunity to serve. As has often been said in the past, the best way to keep a secret is to say something on the Floor of the House of Commons, so from this Dispatch Box tonight, I use this opportunity to express my ongoing and full support to my right hon. Friend the Prime Minister as he helps us move to a position where we restore the power-sharing institutions that the people of Northern Ireland need so much.

The Northern Ireland Assembly and Executive were established under strand 1 of the Belfast/Good Friday agreement, and are underpinned by the Northern Ireland Act 1998. It is vital that all the institutions set up by the agreement are operating fully and effectively, given their interdependence and interlocking nature, to realise the full vision of the Belfast/Good Friday agreement. It has been 151 days since the First Minister resigned, and since then there has been no one to lead the Northern Ireland Executive. It has been 61 days since the people of Northern Ireland voted in an Assembly election, and since then the parties have failed to come together to even elect a Speaker, let alone form a Government. It has been 36 days since the Assembly last met, and since then there has been no serious attempt to show the necessary leadership to address the real issues facing households in Northern Ireland—issues that they care about as much as those who live in my constituency of Bournemouth West.

At the commencement of his speech, the hon. Member for North Down (Stephen Farry) made brief reference to the protocol in the context of restoring the institutions of devolved government, and I use the opportunity at the Dispatch Box today to make it clear that the position of Her Majesty's Government is that there is no reason why there should not be restored devolved government in Northern Ireland, and power-sharing back up and running. Our message has been consistently clear to the Democratic Unionist party: the protocol is for the Government of the United Kingdom to resolve, either through primary legislation, or our preferred route of a negotiated conclusion to this with the European Union, which would require movement on the mandate that Vice-President Šefčovič has been given by the European Commission. We do not see those as interlocking measures. We will deal with the protocol, as we have been clear to the people of Northern Ireland, but we believe that they deserve a functioning devolved Government straightaway.

[Conor Burns]

Meanwhile, Members of the Assembly in Northern Ireland continue to draw a salary, even while unable to conduct Assembly business, and the frustration about that is widely shared across communities in Northern Ireland. The passage of the Northern Ireland (Ministers, Elections and Petitions of Concern) Bill into law grants the parties a maximum of 24 weeks to form an Executive, and allows existing departmental Ministers to retain their posts during that period, meaning that they may still be in place up until 28 October this year. That provides a degree of stability in Northern Ireland, mitigating the worst effects of the current impasse, but it remains the Government's view that the leaders of Northern Ireland need to come together and agree a way forward to deliver a stable and accountable devolved Government to the people of Northern Ireland. My sense in my visits across all the six counties in recent months is that that view is widely shared across the whole of Northern Ireland.

While we recognise the existing current impasse, it is worth looking at the amazing progress that Northern Ireland has made over the past 24 years since the signing of the Belfast/Good Friday agreement. Those successes are a credit to a generation of foresighted and courageous individuals who had the vision to put reconciliation before division. It was my privilege to be present recently at Queen's University Belfast to witness the unveiling of a portrait of David Trimble, alongside his wonderful wife Daphne, to acknowledge his immense role in that contentious but courageous agreement. We also fondly remembered the late John Hume and the late Seamus Mallon, both of whom were former Members of this House.

Above all, peace and success in Northern Ireland are a credit to the people of Northern Ireland, whose endurance, kindness and warmth continue to fuel progress. If the politicians and political leaders in Northern Ireland looked to the example of the people, we could make genuine progress in restoring the institutions of devolved government.

In January 2020, the New Decade, New Approach deal provided the foundations for the Northern Ireland parties to come together and form a new Government after a three-year hiatus. That deal is a living monument, against which we regularly check the commitments and progress in achieving them, to what can be realised if people put differences aside, make compromises and forge a path ahead in the interests of everyone, rather than the interests of one group alone.

The hon. Gentleman made a number of specific suggestions in his well-crafted and thoughtful speech about the reform of the institutions and of the mechanisms for sharing power between the parties and between designations. I say to him that we have to tread incredibly carefully in this space. The agreement that was reached 24 years ago was carefully balanced to get the level of cross-community support that it had in the subsequent referendum.

Some of the hon. Gentleman's suggestions were debated at the margins here and in the other place during the passage of the Northern Ireland (Ministers, Elections

and Petitions of Concern) Bill last year. In response to some of the probing amendments that were tabled, I remember saying to him and others that we, and certainly I, had significant sympathy with the intent behind them—for example, an obvious one is that the posts of First Minister and Deputy First Minister are legally indistinguishable; it is a co-office. The reason that the Government did not decide to legislate or innovate in that space at that time was that, in our view, any recalibration or update of the agreements, and of the institutions and mechanisms that flow from them, is best achieved through cross-party agreement and, obviously, the involvement of the Governments in Ireland and the United Kingdom as the co-guarantors of those agreements.

The hon. Gentleman highlighted many of the ideas contained in the detailed policy paper that his party leader Naomi Long recently sent to Ministers. I studied it carefully on a flight to Belfast last week and read it again this afternoon. We are committed to restoring the institutions of devolved government as they stand today—as they sprang from the Belfast/Good Friday agreement—but as we saw in St Andrews, that agreement can change and be updated.

The hon. Gentleman spoke with knowledge and understanding of the changing political, societal and demographic positions within Northern Ireland. I think it is right that we start using the post-restoration of power sharing and the significant 25th anniversary coming up next year—in partnership with Queen's University, Ulster University, societal groups, think-tanks and others—to think about how those institutions could be updated and those agreements recalibrated, in parts where we could achieve cross-community consent, to achieve improvements to the delivery of devolved government in Northern Ireland and accountability from locally elected politicians in Northern Ireland directly to the communities they serve.

The final point I would make is that I have been overwhelmingly struck—I say this as a Minister who is accountable for Northern Ireland matters at this Dispatch Box, but also as someone who is very deeply accountable to family members across kitchen tables in Northern Ireland—by how the people of Northern Ireland deserve the best possible opportunities. When I visit schools, businesses, charity groups or the teeming third sector across Northern Ireland, their concerns are very much the same concerns that we would find in any other constituency across the United Kingdom and indeed, I suspect, across these islands in their totality. They deserve that we keep a watching brief on the institutions born of the Belfast/Good Friday agreement and the rulebook that governs them to make sure that at all times they are doing the central thing they were set up to do, which is to serve the people of Northern Ireland to the very best of our ability.

Question put and agreed to.

8.1 pm

House adjourned.

Westminster Hall

Tuesday 5 July 2022

[MRS SHERYLL MURRAY *in the Chair*]

Zero-emission Buses

[Relevant Documents: Oral evidence taken before the Transport Committee on 8 and 29 June 2022, on National bus strategy: one year on, HC 161.]

9.30 am

Sir Robert Goodwill (Scarborough and Whitby) (Con): I beg to move,

That this House has considered zero emission buses in the UK.

It is a great pleasure to open the debate under your chairmanship, Mrs Murray—indeed, we will be turning the tables this afternoon when you serve as a member of my Committee—and I thank the Backbench Business Committee for allowing the debate.

I am chair of the all-party parliamentary group for the bus and coach industry, and my comments will relate mainly to the manufacture and delivery of green buses in this country. There are many other connected issues, such as the franchising operations and how those are delivered, and the fares that are charged, but, given that one of the major bus and coach manufacturers, Alexander Dennis Ltd, is located in my constituency, I will concentrate on manufacturing. Alexander Dennis Ltd also has a factory in Falkirk, and I am sure the hon. Member for Falkirk (John Mc Nally) will be commenting on that.

Alexander Dennis Ltd sprang out of the Plaxton company, which has been established in Scarborough for more than 100 years, and it has 31,000 vehicles in service around the world, including the three-axle double-deckers that we see on the streets of Hong Kong, 200 battery electric vehicles being delivered to the Republic of Ireland, and 200 Enviro500 top-of-the-fleet double-deckers, which are being delivered to Berlin. The company truly is making a product for the global market.

Alexander Dennis Ltd employs 1,850 people in the United Kingdom on eight sites, and the company can deliver diesel buses—the traditional motive power—as well as battery electric buses, which make up the majority of the new-generation buses it produces, and hydrogen buses, on which other manufacturers are majoring.

Later this year, Alexander Dennis Ltd will deliver a fully autonomous bus. In some ways, it is amazing that the company is ahead of the rail industry. Apart from one or two examples such as the docklands light railway, the majority of trains still have drivers, despite the fact that trains run on rails and do not need steering, whereas Alexander Dennis will deliver a new generation of autonomous buses—driverless buses—which I believe will lead the way in making buses even more cost-effective.

Why are we here today? I am afraid that, despite the rhetoric from the Government, the orders for the 4,000 promised buses are not coming through. We were promised 4,000 zero-emission buses under the ZEBRA—zero-emission bus regional areas—scheme. We were told initially that they would be delivered during this

Parliament, and Members will understand why the manufacturers got themselves geared up and ready to produce those buses. Then we were told, “Well, the buses will be on order by the end of the Parliament.” Most recently, we understand that funding will be available by the end of the Parliament. I am afraid, Minister, this is not good enough. We need to get those buses on our streets and delivering not only for those who work in the bus industry but for those passengers who genuinely want to use an environmentally friendly mode of transport.

Jim Shannon (Strangford) (DUP): I congratulate the right hon. Gentleman on introducing the debate on what is a topical subject in the real sense of the word, and I am pleased to see the Minister in her place.

We in Northern Ireland have made a clear commitment to these new, zero-emission buses through Translink, and we have constructed a programme for the next few years, through to 2032, of which the Translink Gliders will be part, but for that to happen we all need to take advantage of the opportunity to manufacture those buses. We in Northern can do that, alongside the right hon. Gentleman’s constituents. Does he agree that Northern Ireland can be part of that greater plan for the United Kingdom of Great Britain and Northern Ireland to work together to produce these buses?

Sir Robert Goodwill: The hon. Gentleman is absolutely right, and every part of the United Kingdom should be able to benefit from the next generation of clean and green buses. Indeed, Northern Ireland is well placed because Wrightbus, which manufactures in Ballymena in the constituency of the hon. Member for North Antrim (Ian Paisley), can deliver hydrogen-propelled buses. I will say more about that later.

The ZEBRA scheme is a Government-led green initiative that the industry has responded to by designing the vehicles to help to deliver it. But where are the orders? The inertia threatens the Government’s net zero strategy. Bus registrations are already at an all-time low. The pandemic hit bus operators and passengers numbers still have not recovered.

We need volume production to sustain our three indigenous manufacturers: Switch Mobility in Leeds, Wrightbus in Ballymena and Alexander Dennis at its locations in Scotland and Scarborough. We need a flow of orders, not large orders in the future that would only favour Chinese manufacturers. The UK market for buses grew 28% in 2021 from a historically low baseline, but the massive, state-supported Chinese manufacturer Yutong saw its market share triple at the same time.

I would be the last person to advocate a protectionist policy; the “America first” policy was so damaging to vehicle manufacturing in America because it made steel and aluminium expensive and therefore manufactured products such as buses expensive. Competition always drives innovation and efficiency, but it must be fair competition. Not only does the Chinese economy run on rules different from those in Europe, but manufacturing in China benefits from lower energy prices. I remind hon. Members that China still buys gas and oil from Russia.

China also has disproportionate influence over supplies of raw materials, including lithium, which is vital to make the current generation of batteries. That is why we must also make progress on our own indigenous battery

[Sir Robert Goodwill]

production by not only using Cornish lithium but setting up factories such as the Britishvolt facility that is planned in Blyth in the north-east of England. We must take the lead in looking at the next-generation solid-state batteries, which perhaps will not require the rare-earth materials and minerals that the Chinese have been so successful at cornering, particularly in some African states.

Some of the delays in placing orders are down to negotiations between operators and transport authorities to deliver, for example, bus priority schemes. There is no point in taking a zero-emission bus if it is stuck in the same queue as diesel and petrol cars. I hope the Minister can break the logjam and get the orders on the production lines here in the United Kingdom—not in China—and fitted with UK batteries, not batteries made in China.

The hon. Member for North Antrim would have liked to be here today, but instead I will say a little about how Northern Ireland is progressing. Wrightbus is now under the ownership of Jo Bamford, who is part of the JCB dynasty and has taken that company, which was in danger of failing, and brought it into the 21st century. It is majoring on hydrogen buses. There are great opportunities for hydrogen fuel cell buses, too, particularly when we can develop our green hydrogen market in the UK, because 95% of the hydrogen produced in this country is so-called blue hydrogen derived from natural gas. That will be a useful step on the road to net zero but, ultimately, we need green hydrogen produced by the fantastic nuclear industry in Cumbria, which I know the Minister—an atomic kitten, as she describes herself—will be keen to promote.

Buses are a really good place to start because they go back to the depot every night, so they can charge up and refuel. Hydrogen is not ubiquitous throughout the country, but if we are to move forward on it, buses will take the lead. JCB's heavy plant operation is looking at spark-ignition hydrogen engines for large construction operations. Hydrogen is the future in many applications, and certainly for lorries that do not go back to the depot. In the meantime, battery electric is the low-hanging fruit that we can grasp quickly to deliver buses that do not need to rely on fossil fuels.

I have three questions for the Minister. First, when will the promised 4,000 ZEBRA zero-emission buses be on our streets? Secondly, what can she do to ensure they are British and not Chinese built? Unfortunately, a number of local authorities and bus companies have already ordered Chinese buses, which are currently on our streets. Thirdly—we need to be careful about this, because it is easy to grasp a figure out of the air and say, “This is the target”—after due consideration of what is practical, reasonable and can be delivered by the industry, when would be a realistic date to phase out the sale of diesel buses? That is particularly important because buses, unlike other motor vehicles, tend to have a very long operational life, so those delivered in 2027-28 are still likely to be on the roads in 2050, which is of course our target for net zero.

I thank hon. Members for listening to the points I have made. I hope we have a bright future with sustainable bus transport produced by British manufacturers such as Alexander Dennis Ltd in Scarborough, which is a very efficient, cost-effective factory. I look forward to hearing other hon. Members' comments.

9.40 am

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is good to see you in the Chair, Mrs Murray. With your permission, I will talk about the bus service that covers my constituency and the one you represent.

I thank the right hon. Member for Scarborough and Whitby (Sir Robert Goodwill) for introducing this debate so well. Buses matter, and there are not enough debates about them in this place. There seem to be five debates on trains for every debate on buses, and I am afraid I am as guilty as other hon. Members for ranting about trains all the time, missing the fact that far more people use buses every day than use trains.

The right hon. Gentleman made a strong case for having a clear plan to move the propulsion of our bus fleet from diesel to electric or hydrogen. That matters. I will talk about the difference between electric and hydrogen buses—especially those that serve parts of the world such as the far south-west, where we have very intense urban areas in Plymouth but the bus network also provides lifeline services for our rural communities. There is not currently a single propulsion method that would work for both environments. That is why, when we look at zero-emission buses and the green buses of the future, we need to understand that fast-charging electric buses are a good idea for urban areas, and that we must invest in hydrogen to sustain rural routes, especially those with long distances between stops. That means a different type of infrastructure to go with the buses.

I agree with the right hon. Gentleman that we need more British-built buses on our roads, but we also need more British-built infrastructure to support them. It is not only the capital cost of the buses that we need to look at: currently, a zero-emission bus is considerably more expensive than the equivalent diesel bus. That is result of the market not being able to sustain the volume of bus construction that we need to reduce those costs, and of the capital cost of innovation and experimentation on those buses to ensure we get the technology right. We need to order at scale to reduce the per-unit cost of buses, but we also need a plan so that local authorities, bus companies and transport bodies can invest properly in their communities.

Last week, I met our brilliant local bus company, Citybus—which also provides the Go Cornwall services that you will be familiar with, Mrs Murray—to discuss the ideal solution in Plymouth, which is additional fast-charging locations in Plymouth and a hydrogen network to sustain routes from Plymouth into Cornwall, west Devon and the South Hams. That means doubling the infrastructure that is required for a single bus company, although buses would be operated under different brands in different parts of the region. That is quite a considerable capital outlay.

The industry is looking for a clear direction. The right hon. Gentleman asked when the promised buses will come, which is fair. I think the Government have over-exaggerated and over-spun the policy.

Sir Robert Goodwill: The hon. Gentleman is absolutely right that the up-front cost of an electric battery or hydrogen bus is more, but of course the lifelong cost of the bus is less. It is a bit like nuclear energy: it is all up front. That is why the Government are introducing the

scheme to reassure the market that it can invest in the buses. Incidentally, the majority of bus routes can manage on an overnight charge, but there are certain routes that might need a top-up during the day. Electric might not be the answer for very steep routes, which is where hydrogen comes in.

Luke Pollard: I think the right hon. Gentleman has been to Plymouth and has seen our hills. We certainly have a need currently for mixed-mode propulsion as a transition technology until we get to a 100% green bus fleet, so we need capital investment in that, and I agree with what he says about the per-unit price. Investing in low-emission and zero-emission buses is good not only economically, but for our public health and our planet, and we need to make that case much more.

When we look at how to support bus infrastructure, one of the things we need to decide is what that means in practical terms. Does it mean fast-charging bus locations that are not located at the bus depot, for instance? Do we need to encourage bus companies to buy up interim stops? They could simply be warehouse slots along major routes, for instance, where fast charging might sustain a bus and enable it to continue all day. However, Citybus has said it would need more buses to sustain a fully electric fleet. That is simply a factor of how long it takes to charge a bus and what the demand is during a particular period.

Jim Shannon: The hon. Gentleman is making a critical point, but does he agree that we must have a strategic, laid-out plan for how to achieve that? It cannot be left entirely to the bus companies to, for instance, purchase a portion of land where they can put their charging points. If we are to make sure this happens, it has to be strategic and Government-led, in co-operation with councils and companies. It will only happen if we all work together, which I think is the point the hon. Gentleman is making.

Luke Pollard: I am grateful for that intervention, because it leads me to my next point, which is about how we create that infrastructure. It needs to be created against a plan, which is one of the areas in which the Government could do more work, to put it kindly. Transport is a patchwork quilt, with devolved responsibilities, retained responsibilities and different councils having different responsibilities regarding bus services, let alone the procurement of transport systems—for instance, we have a very mixed picture on that score in the far south-west compared with areas such as Manchester or the west midlands. We need to have a clear plan so that we know that investment is timely and well spent. If, for example, we do not have an understanding that we will need more superfast chargers for bus services—but not at the main bus depot—to be built into the economic plan for our location, it is going to be harder for us to get the bus services that we need and the transition away from diesel engines that we all want.

When it comes to bus infrastructure, it is not only the charging infrastructure that matters: we have to make sure that people actually get on the buses. Bus patronage is a key factor in the transition to zero-emission buses, because if it continues to be below pre-pandemic levels, it will not be economically viable for many bus companies to invest in higher unit price buses, nor to run the frequency of services that communities deserve to keep

them going. In Plymouth—as you know very well, Mrs Murray—our council plan to remove one third of Plymouth's bus shelters, which makes waiting for a bus in a city famous for its rain a little bit more awkward. I want to encourage more people to get on a bus; I want people to use buses more frequently. That means the entire end-to-end journey for a passenger getting on a bus needs to be made more efficient, more comfortable, ideally cheaper, and more environmentally responsible.

That brings me to my final point, which is about air quality. A key factor in the drive to move from diesel buses to zero-emission ones, be they electric or hydrogen, is the impact of diesel bus fleets on the air quality of our communities. The air-quality improvements that we have seen in London since the ultra low emission zone was introduced, and in the trials that Transport for London has done in removing diesel buses from certain routes, have been considerable. I want a clean air Act to be introduced, and Labour has been making that case, but such an Act needs to be backed by actions to deliver cleaner air. One of those is to set a clear date for phasing out diesel engines, not just in cars and vans but in buses, too. Buses have greater usage than cars: a bus that is used nearly the entire day will clearly have a bigger air-quality implication than, for instance, a diesel car that is used twice a day for short journeys. That is why we need extra urgency when it comes to removing diesel buses: not just because of the carbon emissions, but because of the air-quality improvements, especially the reduction in the NO_x—nitrogen oxides—that have such a bad effect on our lungs and our hearts in particular.

Sir Robert Goodwill: The hon. Gentleman is making absolutely the right point. One of the problems we have is that some very old buses still operate on routes around the country. Some of those buses—and, indeed, taxis—were displaced from London as the clean-air technology came in. We need to get rid of those old buses. The Euro 6 buses perform well on our streets, but we have all seen some very old buses up and down the country that still contribute a lot to poor air quality.

Luke Pollard: I agree with the right hon. Gentleman. The cascading of older stock—be that train rolling stock or buses—to the regions means that, in many cases, they receive the poorer-quality engines and have poorer air quality. They will continue to have poorer air quality for a lot longer than some of our big urban cities, which are able to use their mass to invest in addressing the problem.

I am grateful for the opportunity to talk about Plymouth Citybus and its plans for the future. I want every bus in Plymouth and throughout the country to be a zero-emission bus, and I want to see more people use our bus services. I want to see them being made cheaper, but for that to happen we need bus companies and bus manufacturers to have the confidence to invest. I want to see more of those buses being British-built, and I want to see us proudly manufacturing the future of green transport in this country. I think that is possible, but for it to happen, we need the Government to have a clearer plan on the production and manufacture of not only the bus but the battery, and we need the infrastructure plan to accompany it. I sometimes feel that the infrastructure plan does not get a fair hearing in this debate, so I hope the Minister will respond on that.

Mrs Sheryll Murray (in the Chair): I intend to call the Front-Bench spokesmen at 10.30 am. Members wishing to speak should bear that in mind.

9.51 am

Jacob Young (Redcar) (Con): It is a pleasure to serve under your chairmanship, Mrs Murray. I am delighted to contribute to the debate, and I thank my right hon. Friend the Member for Scarborough and Whitby (Sir Robert Goodwill) for securing it.

Speaking in my capacity as chair of the all-party parliamentary group on hydrogen, we see hydrogen as a key component in the zero-emission bus mix. Last week, I was delighted to take a bus journey from the Science Museum to Parliament, on a bus that seemed just like any other—there was no additional noise, the bus looked exactly the same and the seats were just as comfortable—but the key difference was that it was powered by hydrogen. This is the opportunity that hydrogen represents for us—one that is as revolutionary as it is unremarkable. Regardless of whether hydrogen is powering our buses, heating our homes or fuelling a large furnace, the experience is exactly the same as what we are used to, but without the negative emissions.

Hydrogen has uses that stretch much further than buses alone. Hydrogen can be used to power aeroplanes, such as in ZeroAvia's trial. It can be used to power ferries and ships, and hydrogen in an internal combustion engine could even make the diggers of the future, as my right hon. Friend mentioned. What are the real benefits of hydrogen buses? They require much shorter maintenance periods, because a zero-emission bus—whether it is hydrogen or battery electric—has far fewer moving parts, so the maintenance schedule can be drastically reduced, meaning that more buses can be on the road at shorter notice.

That brings me to my next point, which is about the distinct benefit of hydrogen buses over battery electric. Battery electric buses typically take up to eight hours to charge, whereas a hydrogen bus, much like a diesel vehicle, could be back on its way in just eight minutes. To replace a diesel bus currently, a fleet operator may have to purchase 1.2 electric buses to make up for the charge time, with buses being off the road for a number of hours. However, because of both the shorter maintenance period and the ability to refuel quickly, it is possible to replace diesel buses with far fewer hydrogen buses, saving the taxpayer money in the long run.

Another benefit is that hydrogen buses can today support British jobs in the production of hydrogen. Anyone who has travelled here today via Westminster tube station will have seen the huge advertisements for BP's investment in Teesside, which will produce 15% of the Government's 2030 hydrogen targets in both blue and green hydrogen. On top of that, we also have investment from Kellas on the north side of the Tees, from EDF's production of green hydrogen, and from Petronium.

Hydrogen represents a real opportunity to reindustrialise areas such as mine, but it is also a whole-of-the-UK industry, because the majority of hydrogen buses are made by Wrightbus in Ballymena, Northern Ireland. When Wrightbus went into administration in 2019, it had only 56 staff remaining in the business, but Jo Bamford bought Wrightbus and refocused its efforts on hydrogen buses, and it is now on track to employ more

than 1,000 staff this year as the firm with the largest hydrogen bus fleet in Europe and the second largest in the world.

To bring us back to the title of the debate, which is "Zero-emission Buses", the biggest benefit of a hydrogen bus is that it is zero emission. In fact, in many ways, hydrogen buses help to clear up negative emissions, as they filter nitrous oxides while running and their only by-product is water.

I turn now to my asks of Government. My primary ask is this: do not forget about hydrogen. We hear all the time about battery electric buses—there are 35 times more battery buses than hydrogen buses in London—but although battery electric has a role to play, as the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) outlined, no one should be in any doubt that hydrogen fuel cells have distinct benefits and cannot be ignored, particularly for public transport uses but also in road haulage and emergency service vehicles. I expect hydrogen to play a key role in all three.

Secondly, the Government must support steps for the storage and distribution of hydrogen. It is no coincidence that now more people have electric vehicles, because there are far more readily available refuelling stations up and down the country. We need the Government to resolve the same chicken-and-egg situation that affects hydrogen transport in the UK and help put in place the necessary storage and distribution for hydrogen transport.

My final ask is this. The Government must also resolve the current issues with the renewable transport fuel obligation, which currently excludes certain types of hydrogen. I am hopeful that the Government are able to recognise and reflect that in their response to the recent RTFO consultation.

To conclude, hydrogen can and will play a key role in public transport, but if we are to be able to realise its full benefits, we need to put in place the right policy framework to help us achieve that. The Government are working towards that, and there are programmes such as the Aberdeen bus trial and the £3 million hydrogen transport hub in Teesside, which is the first of its kind in the UK. But we must do more. I know that my hon. Friend the Minister is as passionate about hydrogen as I am about nuclear, and vice versa. Those are the fuels that will power the future, and I look forward to working with her to deliver them.

9.57 am

John Mc Nally (Falkirk) (SNP): It is always a pleasure to serve under your chairmanship, Mrs Murray. I, too, thank the right hon. Member for Scarborough and Whitby (Sir Robert Goodwill) for securing this crucial debate on the future of bus and coach manufacturers. I am also a member of the all-party parliamentary group for the bus and coach industry.

Like many others, I am very proud of my local bus manufacturer in the Falkirk constituency. I know so many of the people, and their families and friends, who have worked for that company for so long—some have spent their entire life in the same business. It is a testament to that model company, how good it is and how it retains its staff for so long.

The right hon. Member for Scarborough and Whitby covered many of the concerns in his speech, so excuse me, Mrs Murray, for reiterating some of his well-made points—they were so well put over to us all. I am sure

that my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands), the Front-Bench spokesperson, will bring in the Scottish perspective and how well we are doing in Scotland.

Let me add some context on Alexander Dennis Ltd. Alexander Dennis is the UK's largest bus and coach manufacturer, with a market share consistently above 60%. ADL offers single and double-deck vehicles under the brands Alexander Dennis and Plaxton, and has more than 31,000 vehicles in service in Scotland, the wider UK—including, of course, here in London—Europe, Hong Kong, Singapore, New Zealand, Mexico, Canada and the United States. It is the largest employer in the sector, with a global headcount of 2,100. In the UK, it has eight sites, employing nearly 2,000 people. They are all good, well paid and highly skilled jobs.

ADL is part of NFI Group, one of the world's largest independent global bus manufacturers. ADL is the only bus and coach manufacturer in a position to offer custom-made buses and coaches spanning electric, hydrogen and, as of the latter part of this year, a fully autonomous bus service, as has already been said. I have watched these buses going across the Forth road bridge. It is quite scary to begin with, but they are being well tested. They will be of great benefit in improving the air quality of the whole area. I look forward to seeing them go into service. I advise anybody in this room—or anywhere else—to try to take a trip on board one. I think that would probably allay some of the fears that we would all have.

As well as UK buses being built in Falkirk and Larbert, which supports local supply chains, ADL is leading the charge for Scotland plc, setting the highest standards of engineering. A project that illustrates that is Scotland's first built hydrogen fuel cell double-deck bus. Alexander Dennis was selected by the Liverpool City Region Combined Authority as the supplier for 20 zero-emission hydrogen double-deck buses following a competitive tendering process. The 20 ADL Enviro buses are being directly purchased through the Liverpool city region's transforming cities fund, and will be owned by the people of the city region. We have a proud history, grounded in heritage and tradition, with a long legacy in Falkirk going back as far as 1902. There are nearly 700 people employed in Falkirk and Larbert, and Larbert is the global headquarters of the business.

Alexander Dennis is committed to supporting the UK Government's ambitions, but it is almost at breaking point and the Government need to deliver on their funding promises. The company is investing heavily in UK operations in facilities across the whole of the UK. I want the Minister to listen to this: Alexander Dennis is investing in innovation, engineering, production, apprenticeships, graduate programmes, people development, after-market support and, most importantly, a zero-emission future. These bus and coach manufacturers are well driven, but the Government are not matching their ambition, even though the policy is driven by the Government.

I have two questions for the Minister. The UK Government said that they are committed to their promise of 4,000 British-built buses. Could she outline what steps the UK Government are taking to protect British bus and coach manufacturing jobs, many of which are in my Falkirk constituency? I would like to hear about

that in detail. Finally, the zero-emission bus regional areas scheme delays are unacceptable, frankly. It has been over a year. I have been outside Parliament speaking with Baroness Vere, who promised that they would arrive imminently. That has not happened, and it is unacceptable. Manufacturers were promised that the funding would result in new orders that would and could then be built in Falkirk.

The UK bus and coach industry is still desperate for a shot in the arm. It needs certainty on the delivery of that promise. If the trend of stagnating and the inertia continues, there will—no maybes—be serious consequences for the future of UK bus and coach manufacturing in the likes of Falkirk. What action are the Government taking to resolve those crucial concerns?

10.3 am

Andrew Jones (Harrogate and Knaresborough) (Con): It is a pleasure, as always, to serve under your chairmanship, Mrs Murray. I start by congratulating my right hon. Friend the Member for Scarborough and Whitby (Sir Robert Goodwill) on securing the debate. I, too, am a member of the all-party parliamentary group for the bus and coach industry. It is great to see such enthusiasm for buses. I was the bus Minister for the Bus Services Act 2017, and it was not that easy to generate enthusiasm from colleagues. The situation is much improved.

As has been said already, it is buses that do the heavy lifting of our public transport system. We must remember that carbon emissions from transport are 30% of our total carbon emissions. No progress on getting people to switch modes, on boosting passenger numbers on buses or on removing carbon from our bus networks will mean it is much harder for us to hit our overall net zero objectives. Thus, I strongly support the initiatives to boost the roll-out of zero-emission buses across the country. It has been happening for a little while—as bus Minister I did some of this work, but the work also predated me. The work on that goes back to the last Labour Government, when the technologies became available and the bus Ministers at the time saw the opportunities and grabbed them. It has been happening in stages over a period of time.

I was clear that the technology has presented significant opportunities, and it has been made clear in the debate so far that there are different technologies available. The points on hydrogen made by my hon. Friend the Member for Redcar (Jacob Young), who always speaks with passion and detail on this subject, were spot-on. The hydrogen opportunity is exciting and it is also changing quite fast.

We have many electric buses in Harrogate and Knaresborough already. They have been delivered by The Harrogate Bus Company and we are shortly due to have some more. There is a £20 million project, which includes £7.8 million from the county council, as part of the zero-emission bus regional areas scheme, or ZEBRA—quite a catchy name—and an investment of £12 million by Transdev, which is The Harrogate Bus Company's parent company. That will deliver 71 new electric buses for North Yorkshire, with 45 based out of the Harrogate depot, and they will be split approximately 50:50 between single and double-decker buses. The first route to enter into service will be the busy Harrogate to Knaresborough route.

[Andrew Jones]

It is also worth noting that as the transition develops, with the buses entering service from summer 2023, dependent on the supply chain—that is the advice I have received from the bus company—that will include the popular 36 route, which is quite famous in the bus world. Stepping on to the No. 36 bus is like boarding an aeroplane and turning left, with libraries and charging points—it is a very comfortable experience. I hope that the Minister will visit and experience that one day.

There are a number of lessons that I would like to share with colleagues about the rolling out of electric buses. It is not as straightforward as just purchasing the buses from the manufacturers—though that is not straightforward either, as has been made clear. There are other things in play here. I want to build on some of the points made by my right hon. Friend the Member for Scarborough and Whitby. He, and all colleagues, are clearly right about the environmental merits of the buses. He also mentioned the longevity of service, with buses entering service and staying there for a long period of time, while churn of the fleet is incredibly helpful in meeting our air-quality objectives. A Euro 6 bus that enters service now is probably replacing a bus from Euro 4 standards, but a Euro 6 bus emits only 4% of the pollutants of a Euro 4 bus. That is not zero-emission but, my goodness, it is significant progress, so fleet churn is quite critical.

I want to highlight some of the lessons we learned from the first phase of electric bus roll-outs in Harrogate. There were operational issues that customers did not see. Quite the opposite, in fact, because customers saw a fantastic new fleet of vehicles that are, by definition, well designed and more modern. They loved the environmental benefits and particularly liked the smooth ride, which is a feature of an electric-powered vehicle anyway, so they were popular with passengers. However, it is not that easy for them to enter service because that may require a reconfiguration of a depot and a transformation of engineering skills at the bus company. If someone has spent many decades working on large diesel vehicles, pivoting overnight to suddenly maintaining electric fleets is not possible, so significant training is required.

The biggest challenge was the electricity supply to the bus station and getting all the underlying utility works done. That was not a straightforward matter and it took a considerable time to get it all right. There are different methods of charging, and in this particular case it is like a train, so a pantograph comes out of the top of the bus, charges in the bus station and then the bus can go off and do its route around town. It is about lots of small charges that people do not even know are taking place as they get on and off the buses because there is a pantograph above them. It is very effective.

I share that information because I think it is critical that the back-office and structural work is considered in the roll-out of electric vehicles. In some parts of the country, significant work will be required to the electricity network, just as for the roll-out of electric charging points.

Luke Pollard: The hon. Member is making a sound point. I am concerned that the lack of power connections, not only to bus depots but to our ports, means that

many non-standard equipment—buses, JCBs, cranes and other things—that could be electric in the future will not be because they do not have the power infrastructure. Does he agree that we need not only a bus strategy but a power strategy that works with the Department for Business, Energy and Industrial Strategy to ensure that those places get the resources they need to decarbonise?

Andrew Jones: Yes, getting power to the right places in the right quantities will clearly be critical. There will be areas where there are greater levels of usage, and we will need to heavily over-invest up front to make that happen. Whether that is best done through BEIS is a different question; I would suggest that a slightly more localised approach might be better. However, the point about power delivery is clearly correct, as is the point made by my right hon. Friend the Member for Scarborough about the up-front investment required. It is an up-front cost, followed by long periods of service. I know that the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) was talking about the vehicle costs, but that up-front cost must also include the infrastructure.

That is the critical point that I want to make to the Minister. Will she please consider how the roll-out of these vehicles, whether hydrogen or electric, is done? They are fantastic vehicles, will make a huge difference to the quality of life in the areas they serve, and will help hit our net zero objectives. However, we must ensure that the infrastructure in the background is correct, so the work must take place in parallel. Getting that right will help speed the deployment of the vehicles. I know that that is her objective and that she is very passionate about doing this, so that is why I share this information today.

Mrs Sheryll Murray (in the Chair): I call Jim Shannon.

10.12 am

Jim Shannon (Strangford) (DUP): That is quite phenomenal timing, Mrs Murray. Thank you for calling me, and I also thank all Members for their contributions. I am sorry that I could not be here for them all. I had to go over and chair something and then come away. It was quite a run back for an old boy. I was breaking the Olympic record to get back here in time. Thank you for giving me the chance to speak.

First of all, I thank the right hon. Member for Scarborough and Whitby (Sir Robert Goodwill) for leading the debate. This word is often used in this Chamber, and I will use it again because it is the right one: he has championed this case on many occasions here in Westminster Hall and in the main Chamber. He is not a stranger to this issue, so I am very pleased to hear his comments and those of others.

We are living in a very modern world where we are all more aware of emissions and the impacts they can have on our society. That is especially the case with transport, which, it is fair to say, is one of the largest emitters of carbon. We must have the correct strategies in place. I mentioned that in my earlier intervention on the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard). We need an overarching strategy.

I know that the Minister is always very eager to answer on these issues, but we need a strategy for the whole of the United Kingdom—England, Scotland, Wales and Northern Ireland. I know that the responsibilities

lie separately, but it is good to have a strategy where we can all aim for the same goal. Perhaps we can even all get there together. It is good to discuss this matter and share ideas on improving our transport modes and choices.

There is no doubt that, since the pandemic, people are less inclined to use public transport. People would say, “There’s disease, there’s covid—be careful,” so public transport probably fell out of favour for a period. That may be for hygiene reasons or because of higher transmission levels, or merely because we are not used to using public transport in the same way. However, there is a strategy in Northern Ireland.

Sir Robert Goodwill: The point the hon. Member makes is absolutely right. Many people who use buses are pensioners using their concessionary passes and, of course, they were the people who were most fearful of mixing with others on public transport during the pandemic. That was a real hit for the bus companies.

Jim Shannon: The right hon. Gentleman is right. The way in which those problems all came together was like a perfect storm. We have a strategy in Northern Ireland, as I mentioned in my intervention on the hon. Member for Plymouth, Sutton and Devonport.

As I was saying, commuter journeys are 25% lower than pre-pandemic levels, so there is a target to achieve. It would be interesting to hear from the Minister how it will be achieved. Transport authorities in England have published a local bus service improvement plan. If Members get the chance, they should read, because it certainly does look good. It aims to increase local bus services and the number of bus lanes.

There are also plans in place to reduce our public transport emissions by phasing out the selling of non-zero emission buses by 2032. I am pleased to say that in Northern Ireland we are on the right track. Our Translink Gliders, run by Transport NI, were designed to improve the efficiency of mass transit in the city centre of Belfast by connecting areas of Belfast to outskirts of the city centre, and that comes down as far as us in Strangford and Newtownards. In 2021, the scheme was extended to the wider Belfast areas, so it took us in. Gliders use electric hybrid technology, which is a much better alternative to a purely diesel bus, so there are many things that can be done. The right hon. Member for Scarborough and Whitby referred to hydrogen. My hon. Friend the Member for North Antrim (Ian Paisley) is not here, but Wrightbus in his constituency is a leader in the field. It is really good to see that.

By using Gliders, we have been able to improve congestion, encourage the use of public transport and provide a more environmentally friendly mode of travelling. The peak year before covid was 2018-19—every year before covid was a peak year, but the covid years became peak for a different reason—with 84.5 million passenger journeys, which is a considerable contribution by many towards zero emissions. I believe that the general public wish to address the issue of emissions.

Last Thursday, I asked the Minister a question on behalf of those of us who live in rural areas. Bus travel is not always our first choice. We take other modes of transport, such as walking or cycling. For us, bus travel is about travelling from where we live in the countryside

to the main towns. We have a park and ride system and can then use Gliders to get around. There are good things we can do, and the Gliders have to be emission free. It all helps with the bigger picture.

I am also pleased that a local park and ride has been approved in my constituency. That has been made official in the last month. It will enable employees who work in Belfast city centre and many others to park and avail of public transport instead of driving. People living on the Ards peninsula, Ards town or even as far as Donaghadee, close to Bangor, can come to the park and ride in Ards and then use the Glider transport. That will definitely help with the issue of zero emissions, and those zero-emission buses are part of that.

While effort has certainly been made across all areas of the United Kingdom, there is still a long way to go. The United Kingdom has a target to reach net zero by 2050, but that will not come from England alone. We all support the commitments made at COP26 and by our COP26 President, but there must be a joint approach. Although NI transport policies come from Translink, a funded body with a different arrangement than that on the mainland, we must ensure there is parallel discussion to reach our target goals. I know that the Minister is very agreeable to my points. She always responds and has those discussions with me. The Minister does not need to answer today, though I would be very pleased if her civil servants were able to give an idea of what discussions have taken place with Ministers at the Northern Ireland Assembly and, in particular, Transport NI.

Some £525 million has been allocated for England to support the delivery of zero-emission buses. Some £320 million of that has already been allocated, with the remainder due to be allocated by 2024. Funding is an instrumental part of ensuring that we can meet our targets, and I welcome the Government’s commitment to that. It is good to see the Minister in her place to back that up as well.

I encourage the COP26 President and the Transport Secretary in particular to engage with our Infrastructure Minister and the relevant bodies back home to assess how the devolved Assemblies can play their part in meeting our levelling-up and transport targets. We will play our part in Northern Ireland, because we believe we have a big role to play. Northern Ireland’s first zero-emission buses have made their way on to the streets this year. We must ensure that we continue this progression to hydrogen and battery-electric transport across the UK in order to have an efficient bus strategy and sustainable green transport. I know that we all want to see that, and we know the Minister has been given the task.

I look forward to hearing from both shadow Ministers—the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss) and the hon. Member for Paisley and Renfrewshire North (Gavin Newlands)—who are from this United Kingdom of Great Britain and Northern Ireland, always better together, and I hope we can devise a strategy to energise us all, every region together.

Mrs Sheryll Murray (in the Chair): I am going to call the Front-Bench spokespeople now, but I would like to leave a couple of minutes at the end for the right hon. Member for Scarborough and Whitby (Sir Robert Goodwill) to make his winding-up speech. First, I call Gavin Newlands.

10.20 am

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to serve under your chairmanship, Mrs Murray, and I congratulate the right hon. Member for Scarborough and Whitby (Sir Robert Goodwill), who is chair of the all-party parliamentary group for the bus and coach industry, on securing this important debate. The right hon. Gentleman led us off rather well by setting the scene on the issues facing the sector and pointing out that, despite the rhetoric, orders for the 4,000 buses are not coming through. He said that the Government's delivery timetable seems to be sliding. I will touch on that in my speech.

The right hon. Gentleman also talked about progress in Northern Ireland, which I found a little strange because in Scotland we have, by a long way, more zero-emission buses on the road per capita than anywhere else in the UK.

The hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) mentioned that there are many more people travelling on buses than on trains, which I will cover as well, and talked up hydrogen and the need for a hydrogen network around Plymouth and its many hills. He also mentioned the impact of zero-emission buses and low-emission zones on air quality, on which I agree absolutely.

It came as no surprise to anybody that the hon. Member for Redcar (Jacob Young), who chairs the all-party parliamentary group on hydrogen, spoke up on the issue of hydrogen and mentioned other uses for it, such as zero-emission flying. He also referred to ZeroAvia, which I have met as well, and which is working with Loganair in my constituency on zero-emission flying.

My hon. Friend the Member for Falkirk (John Mc Nally) rightly spoke of the excellence in engineering manufacturing at Alexander Dennis Ltd in his constituency. I look forward to visiting ADL over the summer recess. My hon. Friend also spoke about investment, apprenticeships and graduate schemes, which show that we are investing in people as well as a zero-emission future.

The hon. Member for Harrogate and Knaresborough (Andrew Jones) spoke of the welcome increase in parliamentary interest in buses since he left his role as bus Minister. I am sure there is no correlation whatever. The hon. Gentleman also spoke of the 71 buses that North Yorkshire secured through the ZEBRA scheme and the first routes identified if and when the buses are delivered.

The inimitable hon. Member for Strangford (Jim Shannon) spoke about Wrightbus not only on behalf of his colleague the hon. Member for North Antrim (Ian Paisley), but in relation to the issues and opportunities for rural transport. Indeed, I have spoken regularly about zero-emission buses since my appointment as SNP transport spokesperson. Driving that is the fact that buses are fundamental to public transport. No other mode of transport has their flexibility and capacity, particularly in urban and suburban areas.

As we have seen over recent weeks, no form of transport gets more attention than rail, which has been mentioned. The strikes across the network were headline news all that week, but yesterday huge swathes of the road network ground to a halt due to protesters campaigning against the high cost of fuel. Today's papers mention

that briefly, but try finding a bus strike being reported in such depth as the rail dispute, even though buses carry far more people than trains every day of the week.

We need to make buses more high profile and more attractive, which requires more investment and new vehicles, but also other infrastructure. Investment in zero-emission vehicles will be for nothing if we cannot drive a modal shift on to buses and away from private transport. That is why the bus partnership fund set up by the Scottish Government is so important, providing funding to local transport authorities to work with bus operators in identifying bricks-and-mortar improvements to bus infrastructure. We should add that to the extensive concessionary travel scheme under which anyone in Scotland aged under 22 or over 60 pays nothing to travel on a local bus. The investment going into not only our infrastructure, but on making bus travel financially attractive, is unprecedented since devolution.

Bus still has the highest modal share of any means of public transport, although that share has been dropping over the long term, both north and south of the border. If we are serious about the climate emergency, that trend must be reversed. The new green, clean buses are one aspect of the picture for commuters and leisure travellers to make the switch, even if only for part of their journey.

The new under-22 free bus pass aims to get younger folk into the habit of using public transport, because over the past few decades many young people have spent their years growing up being driven in private cars by family members. Over recent years, the Scottish Government have put real zero-emission buses on the roads. They are in use every day to transport thousands of passengers, including in my own constituency, with much more to follow in the coming years. Indeed, Renfrewshire, which I represent, has more zero-emission buses on the road than any other area on these isles bar London.

David Linden (Glasgow East) (SNP): I would not seek to compete with Renfrewshire, but does my hon. Friend agree that organisations such as Community Transport Glasgow, which is based in the Shettleston area of my constituency, are also doing their bit and playing their part on the path towards net zero? Will he commend Graham Dunn, who runs Community Transport Glasgow, for the work that it is doing to try to make that journey in Glasgow?

Gavin Newlands: I do indeed congratulate Graham Dunn and Community Transport Glasgow in Shettleston. My hon. Friend has spoken to me about this on a couple of occasions. Of course, I welcome competition to Renfrewshire from other areas, but it will have to go some way to draw level with Renfrewshire.

Despite all that progress, a lot more still needs to be done, but the trajectory that Scotland is on is very clear—a fully decarbonised public transport network, encompassing bus and rail, by the middle of the next decade, providing everyone in the country with the option of making a real difference in the fight against climate change.

By contrast, the Transport Committee, on which I sit, heard some instructive evidence from the bus operators themselves last month. The managing director of Go-Ahead reported that less than 0.6% of its fleet across England

is zero-emission, while the commercial director of Transdev said that the equivalent figure for his company is 2%. That Committee session took place after the Secretary of State confirmed to it that of the 4,000 zero-emission buses promised by his Government by the end of this Parliament, only 51 of the ZEBRA scheme buses are on the road in England.

I am curious about that, though, because the answers that I have received from the Department state that zero buses had been ordered through the ZEBRA scheme since funding was made available, but it hoped that orders would go in later this year. Another answer stated that 50 buses were on the road, but that might relate to previous schemes. Could the Minister clear this up in her closing remarks? Two and a half years have passed since the pledge for 4,000 buses. First, how many have actually been ordered? Secondly, how many are on the road? And thirdly, when will all of the 4,000 buses actually be delivered?

The Transport Committee also heard from Switch Mobility, one of Britain's biggest bus manufactures. It believes that, on current plans, 2,000 zero-emission buses can be delivered by early 2024, but that the Government face "a serious challenge" in delivering the other 2,000 that they have pledged by the end of 2024. It is also unlikely that there will be an election in December 2024. So far, that challenge has been wholly unmet by the Department for Transport. The 4,000 bus pledge has been made by everyone from the Prime Minister down, but as with so much else, the relationship between utterances from the Dispatch Box and the real world of hard facts has only a passing resemblance to the truth.

Last Thursday, the Secretary of State, in answering a question by my hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day), who has many Alexander Dennis workers in his constituency, said that they would see 4,000 buses on the road by the end of this Parliament. In March, he said the same and that we are on track to do so. Yet, as we heard in the opening speech today, all the evidence from the industry and, quite frankly, from basic arithmetic shows that that is patently not the case—unless the UK Government want to include the buses ordered by the Scottish Government. Transport is, of course, devolved, so any policy or pledge by the UK Government cannot include figures from Scotland, as the Scottish Government are free to do as they wish on transport policy. Could the Minister confirm in her closing remarks that the 4,000 bus pledge refers only to England, because that is all that the current constitutional set-up actually permits?

It is a shocking indictment of the priorities of the Department and of the UK Government that more than a year has passed since the publication of the national bus strategy, complete with a foreword from the Prime Minister in which he tried to convince us how big a fan of buses he actually is—except, perhaps, when he is travelling back from Cornwall on a Government jet. The ZEBRA scheme that was intended to drive that 4,000 pledge in full has delivered so little, while continuing to promise much more.

England deserves better—much better. While the Secretary of State takes every opportunity to film another epic for TikTok, other Governments on these isles are getting on with the job of transport decarbonisation. Already, 300 buses have been delivered under the Scottish

ultra-low-emission bus scheme. If we multiply that by 10, that gives us 3,000, which is the number that could be delivered in an English context. Now, with the roll-out of ScotZEB—the Scottish zero-emission bus challenge fund—a further 276 buses are on the way, with £62 million of additional funding. All in all, Scotland's zero emission bus fleet will be the equivalent of over 5,500 buses on the road in England. That is astonishing progress, given the budgetary constraints imposed on the Scottish Parliament and the challenges that the past few years have thrown our way.

Moreover, picking up on a point made by the former buses Minister, the right hon. Member for Scarborough and Whitby, the bus emissions abatement retrofit scheme—or BEAR, which is easier to say—has seen over 700 mid-life buses retrofitted to the latest Euro 6 standard in Scotland since low emission zones were announced, and a further 379 are to be fitted under the current round of funding. For context, per capita, if that policy were to be introduced in England, it would cover nearly 11,000 buses. There is no reason why England should lag so far behind Scotland: it is in all our interests to make the transition to net zero transport as quick and seamless as possible. Decarbonisation is a net benefit for each of the nations, but also benefits our global efforts to tackle climate change and, in turn, make public transport a more attractive option.

Whether it is zero-emission buses, active travel—on which we will soon see nearly nine times more per head spent in Scotland than in England—electric vehicles, rail electrification, driving modal shift, or public electric vehicle charging infrastructure, the UK Government are so far behind the Scottish Government that it is embarrassing. I urge the DFT—or, in slight defence of the DFT, perhaps it is more likely to be the Treasury—to talk to its colleagues in Edinburgh, learn lessons from what is clearly working in Scotland, and roll that out in England.

10.31 am

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): It is a pleasure to serve under your chairpersonship for the first time, Mrs Murray. I congratulate the right hon. Member for Scarborough and Whitby—an absolutely beautiful place, where I have spent a lot of my holidays over the years—on securing this important debate.

First, it is important to set the wider context. It is just months since the Prime Minister launched the centrepiece of his levelling-up agenda, the national bus strategy. He trumpeted from the hilltops his love for buses, and how his Bus Back Better strategy would address the vast disparities between services in London and those in the rest of the country. Less than a year on, the Government's ambition—limited from the outset—has declined even further to a point at which the funding could realistically only satisfy the ambitions of two transport authorities. Prior to the pandemic, more journeys were made on buses than on any other form of public transport—almost 4.5 billion. However, due to 12 years of Conservative cuts, the loss of 134 million miles of bus lanes and an inadequate statutory framework, those vital transport links have been left to decay. Bus coverage is now the lowest it has been in decades. According to the Council for the Protection of Rural England, the situation has deteriorated to such an extent that there are now what it terms "transport deserts" in rural communities. Austerity

[Gill Furniss]

has seen this Government slash public subsidies for buses: more than 5,000 bus routes have been cut across the country, leading to passenger numbers slumping by 10%, while fares have more than doubled.

Sir Robert Goodwill: The hon. Lady makes a valid point. Does she agree that many people who do not have a car and rely on bus services also rely on other types of public transport, such as trains? Does she worry, as I do, that if we see continued industrial disruption of our train services, many people will end up buying a car and will not only be lost to the trains in future, but to the buses? Will she join me in condemning the strike action that will hit hardest the people who are most vulnerable: those who do not have cars?

Gill Furniss: I thank the right hon. Gentleman for his intervention. The paragraph I have just read out answers his question: over 12 years of Conservative Government, we have seen a massive decline in passenger usage, and as a former member of the South Yorkshire Passenger Transport Executive, I can tell him that what we really need is better investment in the buses. What passengers want is reliability, affordability, and—particularly if we are talking about net zero—a comprehensive charging strategy, but that is not what is on the table.

In my region of South Yorkshire alone, one third of routes are at risk, and only one bus in the whole of South Yorkshire will be en route after 10.30 pm. That is how bad it is: one third of our bus services are going to be cut. That is no way to be now, when we are aiming to achieve net zero. We should be aiming to build the confidence of passengers, and the way we do that is affordability, reliability, and—in future—proper charging facilities.

Jacob Young: Is the hon. Lady able to tell us whether the Mayor of South Yorkshire has responsibility for transport in South Yorkshire, like the Mayor of London has responsibility for transport in London? Will she join me in condemning the fact that the Mayor of London is seeking to cancel a whole swathe of bus services in our capital city?

Gill Furniss: Yes, the hon. Gentleman is absolutely right: the Mayor of South Yorkshire runs South Yorkshire buses. He has only just been appointed, but prior to that it was my hon. Friend the Member for Barnsley Central (Dan Jarvis), who, with my hon. Friend the Member for Sheffield South East (Mr Betts), worked on a total review of our buses, and the Government turned it down. It is a problem for us that it has now come to this. One of the reasons the Government turned it down is that they halved the levelling-up budget. Their decision to do that is why we are in the pickle we are in now.

I will come on to talk about the Mayor of South Yorkshire, but if the Government announce that a certain amount of money is available, then cut it by half, there will be cuts to the bids that have been put in, as has happened in South Yorkshire. It is despicable. This is not levelling up; it is managed decline.

The national bus strategy was an opportune moment for the Government to right the many wrongs of failed deregulation, but it offered nothing for those who were

looking for a bold vision to reverse the loss of millions of miles of bus routes across the country. It was a missed opportunity for the Government to revolutionise the bus industry and ensure that funds are properly directed to deliver the transition to electric and low-emission vehicles that they promised.

What is more, the Government are already backtracking on their meagre progress. Ministers have announced funding for less than half of the 79 areas that bid for funding. Even those that were successful got less than they asked for. Liverpool City Region asked for £667 million and got just £12.3 million. The reality is that the Tories promised transformational investment in bus services, but millions of passengers are instead seeing managed decline. The Tories have dramatically downgraded the ambitions of local communities and slashed bus services nationwide. That is proof that they simply will not and cannot deliver for the people who need it most.

The Conservatives want communities to put up with shockingly bad bus and rail services. Meanwhile, Labour in power across the country is fighting for better. Labour leaders in power have a simple transformative vision to make buses cheaper, greener, faster and more reliable. Labour Mayors are using their devolved powers and funding to bring down the cost of living and put more money in people's pockets. They are making local public transport—buses in particular—better and more affordable. Andy Burnham, Tracy Brabin and Steve Rotherham, to name just a few, are investing millions of pounds in new routes and services. The Mayor of West Yorkshire, Tracy Brabin, recently introduced free travel on buses on Sundays. What is more, bus fares are set to be capped at £2, saving passengers up to £1.50 in West Yorkshire, and in some cases more than £2 in Greater Manchester. Steve Rotherham has also announced plans to bring buses back under public control so that he can build a London-style system that will make travelling around cheaper, greener and more reliable.

Meanwhile, Oliver Coppard has made improving public transport the centrepiece of his mayoralty. That follows the work of his predecessor, my hon. Friend the Member for Barnsley Central, who gave the green light for the South Yorkshire Mayoral Combined Authority to investigate franchising. Oliver Coppard is fighting the Tory bus cuts, which represent a betrayal of communities across South Yorkshire.

That is the backdrop. The truth is that we cannot afford more Conservative failure. We need a bus service that is fit for the climate crisis and creates good-quality, reliable jobs across communities that are victims of rural poverty. The 4,000 zero-emission buses that the Government announced represent a tiny proportion of the buses on the road, and even that limited ambition is crumbling under scrutiny. The Government have still not specified how the remaining 2,000 buses of their 4,000-bus commitment will be funded. They will not tell us how many are on the road. That uncertainty is hampering manufacturers' ability to develop a short or medium-term business plan, and is therefore impeding their ability to commit to further investment in the UK. As the APPG for the bus and coach industry has stated, it is highly unlikely that 4,000 buses will be on the road by the end of this Parliament, even if funding is allocated for their purchase. So far, very few orders have been placed with UK manufacturers through the ZEBRA scheme, which is having a detrimental impact on the order books of UK manufacturers.

The UK manufacturing industry should be leading the way in the creation of zero-emission buses—I completely agree with the right hon. Member for Scarborough and Whitby (Sir Robert Goodwill), but we simply do not know what proportion is manufactured in the UK. Labour party research has revealed that, far from supporting British manufacturers, ZEBRA funding has been used for hundreds of Pelican Yutong buses from China. The Department's own website features an article boasting about the £200 million boost to businesses, alongside a photo of a Chinese bus. Can the Minister guarantee that all buses that the Government support through the ZEBRA scheme will be made in the UK? What steps are the Government taking to ensure that that pledge is maintained, given that this is a direct opportunity to support UK manufacturing jobs?

Zero-emission buses have the potential to contribute markedly to the decarbonisation of the transport sector. The hon. Member for Harrogate and Knaresborough (Andrew Jones) said that if we sorted all the buses out now, we would cut emissions by one third, because we know that one third of emissions comes from homes, one third from business and one third from public transport. That is a quick win if the Government wanted to sort it out and focus more investment on buses.

Most of all, the Government have to increase passenger numbers, because without those passenger numbers, buses are not of much use. That is the key. We badly need the Government to rebuild the manufacturing sector. It is important that other small companies, rather than the big ones that we have heard about, are allowed in to make this country's manufacturing base more successful and gain more investment.

The clean transport revolution should mean not only cleaner air and reduced emissions for UK towns and cities but tens of thousands of jobs for British people. British manufacturers should not miss out on these opportunities. The Government need to get their act together—and fast. We need to solve this problem in a positive way for the country, for users and for businesses that would then employ workforce.

10.42 am

The Parliamentary Under-Secretary of State for Transport (Trudy Harrison): It is a real pleasure to serve under your chairmanship this morning, Mrs Murray. It is also a pleasure to respond to this debate. I would like to begin by thanking my right hon. Friend the Member for Scarborough and Whitby (Sir Robert Goodwill) for securing the debate. We have stretched on that subject and I am very happy to respond on all the matters that have been raised.

I hope that I can reassure Members, and I will set out how I will take further action, which will start with a visit to Alexander Dennis. As the hon. Member for Strangford (Jim Shannon) mentioned, one of the benefits of my trip of Ballymena was visiting Wrightbus and seeing for myself the ingenuity with which that company had been turned around, increasing employees, and diversifying production with both battery electric buses and hydrogen. It is helpful to see that in action and to appreciate the amount of UK content that Wrightbus so proudly talked about.

Sir Robert Goodwill: I forgot to invite the Minister to Scarborough to come to the factory, and to meet a company called Mellor that is intending to build another factory to build smaller buses on the Scarborough site using the skills that we already have in the town.

Trudy Harrison: I am delighted to accept that invitation, and I pledge to visit both Alexander Dennis and Mellor during the summer recess. Buses are at the centre of public transport networks. We have all talked about that this morning. They have an essential role to play to achieve net zero, driving that green transformation and creating the cleaner, healthier places that we all want to live in.

I will begin by setting out what we have done and how we are investing £525 million of funding to support the introduction of zero-emission buses over the course of this Parliament. There have been many questions about how many buses there are and which part of the UK they are in. The indicative funding shows that we have funded 2,921 buses across the UK. The breakdown for that funding is 84 buses in Wales, 138 in Northern Ireland, 548 in Scotland, and 2,151 in England. Not all of them are on the road.

Gavin Newlands: I am grateful for that granular detail, but the Minister suggested that the UK Government have funded the buses in Scotland, which is not the case. The Scottish Government have funded the buses in Scotland. What does she say in response to that?

Trudy Harrison: The caveat is that the UK has funded the buses. How the Scottish Government want to use the money from the UK Government is, of course, up to them. I am being absolutely clear that the indicative funding has supported zero-emission buses across the UK.

In response to the hon. Member for Strangford, clearly the climate has no boundaries, so we need to work together—all four corners of the United Kingdom—to solve the grand challenge of decarbonising our transport system, which is what I am setting out. I also want to make it clear that not all of the zero-emission buses are on the road. Many of them will be ordered this year, and I hope to take further action to chivvy that on, because I absolutely understand why we want to support British innovation, manufacturing and apprenticeships, the training and graduate opportunities, and the value that British manufacturing provides to our communities right across the country. That is where we are on the numbers.

One thousand, two hundred and seventy-eight zero-emission buses have been supported through funding from both rounds of the zero-emission bus regional area scheme, or ZEBRA—a new kind of horsepower. We have announced nearly £270 million in funding to 17 areas through both the fast track and standard process of the scheme. As Ministers, we are super-keen to ensure that that progress continues. I am keeping a keen eye on it, and it is really pleasing to hear from officials that the 17 areas funded through the scheme are now progressing towards the delivery of their projects.

I really welcome the news that Stagecoach, working with the Cambridgeshire and Peterborough Combined Authority, has placed orders for all the buses for its project. The remaining successful areas are at various stages of conducting their procurement processes. It is great to note that Kent County Council launched its tender for vehicles earlier this year, and I expect to see the introduction of further procurement competitions in the coming months. I anticipate that further orders for buses will be placed following the conclusion of the procurement processes, and I also expect to see the

[Trudy Harrison]

majority of buses funded through the ZEBRA scheme to be on the road in local communities around the country by March 2024—that is the latest indicative date I have at the moment for those funded buses to be on the road.

Additionally, up to 300 zero-emission buses will be supported through the Coventry all-electric bus city project, which is supported by £50 million in funding for the West Midlands Combined Authority. This will ensure that every single bus in the city of Coventry is zero emission by 2025, and I was really pleased to see that the first order for 130 electric buses was placed in December 2021. I therefore anticipate that they will be on the roads of Coventry by autumn this year.

Furthermore, more than 100 zero-emission buses have been supported through the ultra-low emission bus scheme, with hundreds more zero-emission buses supported in London as a result of Government funding. We must build on that and go further by introducing even more zero-emission buses. There is more than £200 million of dedicated funding for ZEBs over the remainder of the spending review period, and the Department can provide more information on how the funding will be allocated in due course. To further incentivise the transition, we also introduced an uplift for ZEBs through the bus service operators grant in April 2022.

There has been much discussion today of different areas and particularly of the stimulus for the bus industry. I feel confident that the combination of future funding and incoming orders can provide that stimulus. UK bus manufacturers are well placed to benefit from those orders, which will support new green skilled jobs in local communities such as Scarborough and Whitby and help to spark a clean recovery for the sector.

While I am aware that 4,000 buses are a good starting point, they are only a starting point, representing approximately 10% of the overall fleet. We need to go further and faster to decarbonise the entire bus fleet—indeed, the entire transport network—across the country. That is why, as stated in the national bus strategy, we are committed to setting an end date for the sale of new diesel buses, with an expectation for when the entire bus fleet will be zero emission to be announced shortly. To support those ambitions, in March of this year, we consulted to determine when to end the sale of new non-zero-emission buses and launched calls for evidence on decarbonising our coach and minibus fleets.

My hon. Friend the Member for Redcar (Jacob Young)—surprise, surprise—bigged up hydrogen. He and I share a passion for industrial communities really benefiting from hydrogen production capacity, which the Prime Minister has doubled to 10 GW. Our approach to the delivery of zero-emission buses is technology-neutral. Local areas under the ZEBRA scheme could apply for funding for both battery electric and hydrogen fuel cell buses, depending on the technology best suited to them. However, I understand that we must drive down the cost by driving up the market and driving up demand. That is why we are funding hydrogen buses and also zero-emission road freight demonstrators, which are not limited to buses and more about supporting heavy goods vehicles. The Department for Transport is investing £200 million across hydrogen, battery electric and catenary to understand where heavy goods vehicles will need to

be charged in future. I hope that will increase the number of publicly available hydrogen refuelling stations across the UK from the current 14.

It is also interesting to respond to the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss), because I was in Sheffield visiting ITM, which is a fantastic British company investing to provide some of the world's biggest—if not the world's biggest—gigawatt production of electrolyzers. The Government are backing hydrogen and I work closely with BEIS. The Department for Transport is creating that demand, and we have set out the certainty that the hydrogen economy has an incredibly bright future in Britain under this Government. On 26 March, the Government announced that the West Midlands Combined Authority has received funding from the ZEBRA scheme to support the introduction of 124 hydrogen buses and refuelling infrastructure, in the country's largest ever hydrogen bus project. Meanwhile, the Advanced Propulsion Centre supported an investment of £11.2 million to develop and manufacture low-cost hydrogen fuel cell technology for buses and create a hydrogen centre of excellence with Wrightbus in Ballymena, Northern Ireland.

I have been blessed with sharing the debate with two former Transport Ministers, my right hon. Friend the Member for Scarborough and Whitby and my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones). I thank my hon. Friend the Member for Harrogate and Knaresborough for his point about the infrastructure, which is right. As we embark on this transport revolution, we need to ensure that it works for everyone, everywhere. That is why I work closely with BEIS, Ofgem, National Grid and the distribution network operators across the country to ensure that we have the connectivity for electric and the generation capable of supporting the transport revolution. Without that, we clearly will not be in a fit position.

I have set out the commitment from the Department, and across Government, to zero-emission buses. I would like to go further to understand how we can support British-built buses. The supply chain for ZEBs is global, and UK manufacturing sources key components, such as vehicle batteries, from foreign-based companies. Foreign-based companies are expected to continue to play an important role in the supply of ZEBs for the UK market. I want to explore whether there are other relevant factors—I am sure there are—that we can build into that requirement that may help to encourage competitive bids from UK firms, without compromising wider commercial outcomes and delivery. I will take that away, and I look forward to updating Alexander Dennis when I visit the company during the summer recess.

Gavin Newlands: I am grateful to the Minister for giving way and I am conscious of the time. I mentioned in my speech that transport is devolved and that, for that reason, the 4,000 bus pledge must be England-only. Can she confirm whether the 4,000 bus pledge is UK-wide?

Trudy Harrison: I will have to come back to the hon. Member on that point. I am not aware of what has been said. The climate sees no boundaries, so if the Scottish Government are making particular progress, let us meet and understand how we can learn from each other. That is the grown-up thing to do.

In conclusion, it has been a pleasure to set out what the Government are doing and what more we need to do. I hope I have reassured my right hon. Friend the Member for Scarborough and Whitby about the Government's commitment and determination and the fact that we acknowledge that there is more work to do. I thank all Members for their contributions, their support for the bus sector and their enthusiasm for the decarbonisation of the transport system. We know that emissions from the transport sector represent the overwhelming majority of emissions in the UK. That is why we are putting so much Government investment into road, rail, aviation and local communities to ensure that there is the infrastructure to support the transport revolution the UK needs.

10.57 am

Sir Robert Goodwill: I thank all colleagues who have contributed to the debate. What is clear is that we are all on the same page. We all want to deliver the same things—not only the carbon dioxide reductions that zero-emission buses will deliver but the air-quality improvements we want to see in our town centres. To use the word the Minister used, I am pleased that this meeting may well have “chivvied” her and her Department into understanding the importance of getting those orders on to the production line. There is a real risk that Chinese opposition—companies in China do not play under the same rules, and the state there is more interventionist—could result in Chinese companies taking the lion's share of orders in the future. That would be a disaster for innovation and jobs in the UK.

Let us not forget that if we manufacture buses in the UK, business rates, income tax and corporation tax—hopefully, at some point in the future—are paid in the UK. A lot of that money stays in the UK if those orders are placed here. I hope we have chivvied the Minister to chivvy her officials and local authorities around the country to get on the front foot and deliver those buses. We must not forget that buses that are delivered in 2030 will still be on the road in 2050, so we urgently need to get on with it.

The Minister has made it clear that the Government have put their money where their mouth is—£525 million is a lot of money. Unfortunately, we have not seen that being delivered as quickly as possible, for a variety of reasons. While the pandemic does get blamed for an awful lot of things, it did actually have a real impact on some of the bus operating companies and the local authorities delivering bus services.

I thank everybody who has participated in the debate. I ask the Minister to pass on my thanks, and the thanks of the all-party parliamentary group, to Baroness Vere, who has been very keen to engage with us. We took her to see various zero-emission buses on the Embankment, and she was absolutely convinced, as I am, that we can deliver for Britain. We can deliver clean buses and good, clean jobs, and, as we move forward into the run-up to 2050, buses and public transport will have their part to play.

Motion lapsed (Standing Order No. 10(6)).

Winnington Bridge Corridor

11 am

Mrs Sheryll Murray (in the Chair): Esther McVey will move the motion and then the Minister will respond. As is the convention in 30-minute debates, there will not be an opportunity for the Member in charge of the debate to wind up.

Esther McVey (Tatton) (Con): I beg to move,

That this House has considered the Winnington Bridge corridor proposal.

It is a real pleasure to have you in the Chair, Mrs Murray, overseeing this vital debate. I thank my hon. Friend the Minister for taking the time to hear the concerns of the constituents of Tatton as well as those of a neighbouring constituency, Weaver Vale, about Winnington bridge and the urgent need for it to be upgraded. I am grateful to the hon. Member for Weaver Vale (Mike Amesbury) for being here today to support this debate and this campaign.

This is the new battle of Winnington bridge. The original one, often described as the last battle of the civil war, took place on 19 August 1659 and resulted in a win for the Government. Today I hope to elicit a win for the constituents of Tatton and the surrounding areas, and that there will be no need for much of a battle. Rather, I hope the Government will see common sense and common purpose and support the levelling-up bid to allow the upgrade of, and improvements to, this bridge.

As history points out, Winnington bridge, which crosses the River Weaver, has been a vital piece of infrastructure for many a year, and it remains so. In fact, its importance only grows, and it now carries the A533 trunk road between Northwich and Barnton. That is a major route, yet it is served only by a single-lane swing bridge. To cross the bridge, three lanes of traffic are funnelled down into one lane, which then allows people to cross the bridge single file, one way. I will repeat that, as most people cannot quite believe it: three lanes are funnelled into one for a single-file crossing.

The current bridge was built in 1908 to enable passage from one side of the river to the other and to allow use of the waterway below, allowing growth of the area's developing chemical industry. This crossing was deemed to be so important in developing both Cheshire's and Northwich's economy that a “newfangled” swing bridge was constructed; it was one of the early electronically operated ones. I am sure the Minister will agree that a lot has changed since 1908 and that what was deemed state of the art back then, in an area surrounded by fields and with only a few houses, is far from what is needed in 2022 and certainly does not cater for heavy goods vehicle lorries and the mass movement of cars. That traffic now serves a thriving business area and local communities, and keeps increasing in this most sought-after part of the country.

The bridge has needed replacing for many years, and the levelling-up agenda and the levelling-up fund now allow the issue to be addressed. Cheshire West and Chester Council has identified Winnington bridge as the single most important piece of transport infrastructure for the area and has submitted a bid to the levelling-up fund—the deadline for bids was meant to be tomorrow, but I hear that it has now been extended. Please let the

[*Esther McVey*]

record show that I am pledging my support for that bid—one that the Government need to support and get behind too.

The project will include a new road bridge across the River Weaver, conversion of the existing single-track bridge, as a cycle-and-pedestrian-only option, and the undertaking of three junction improvements between the bridge and Northwich town centre to create a corridor scheme to fully address the congestion issues and create a cycle link from Barnton and Anderton through to Northwich town centre amenities and national cycle network route 5, thereby serving the residents of the villages of Barnton, Anderton with Marbury, Comberbach and Little Leigh.

The current bridge is an unsuitable crossing now and in the long term. The bridge is a prime crossing point for residents, the number of whom, in the last 10 years, has grown exponentially because of the 1,200 new homes built around the bridge. That number is only set to grow further, with an extra 473 new build homes having been approved or already having existing valid planning permission. On top of that, another 1,555 are proposed on the Winnington Works site. That means that there will be thousands of new residents in the local area, who will be using the bridge every day to get to work, school and the local amenities on either side of it.

The increase in cars on the road and commuters in those new houses will only worsen the already long queues and increase the emissions in the area. So bad is the annual wear and tear on the bridge that approximately £1 million to £2 million is spent every five years to retain it in its current state. Such has been the traffic use of late—it only keeps increasing—that in summer 2020 essential bridge maintenance costing approximately £980,000 was required to replace deteriorating parts of the 110-year-old bridge to ensure that it can continue to operate. A heavy goods vehicle traffic ban on the bridge to reduce the load is not feasible, as it serves as a vital artery for a successful industrial estate in Barnton.

We need a permanent solution now, as maintaining the bridge is not only costly but disruptive. A constituent has reported that congestion at peak times is ridiculous. The condition of local roads due to construction traffic is of lunar standards. We are constantly battling poorly planned roadworks, and it is impossible for a person to see a doctor when they are ill.

I cannot emphasise enough how much this problem has affected local people on so many levels, and it is only getting worse as more houses are built without a second thought to the existing community. Repeated closures for repairs cause significant congestion on top of the already long delays. Worried residents write to me saying they fear for their lives. Lives can be lost due to the extra time that emergency services take to navigate around the road closures. One constituent said:

“I was on ‘Battle’ Bridge”—

as it is now known—

“when an ambulance was trying to get through to Barnton. This was totally impossible. Because of the three-way permanent lights at the foot of Soot Hill, this was blocked completely.”

My constituents are rightly worried about the impact on local life. I hope the Minister will agree to speak to the whole Levelling-up team to ensure they are

fully aware of the multitude of problems associated with this out-of-date, totally unsuitable, unworkable old bridge.

Mike Amesbury (Weaver Vale) (Lab): I thank the right hon. Lady, my constituency neighbour, for giving way, and I commend her for her excellent and impassioned speech. This issue is a great example of how Parliament works at its best; we are two neighbouring parliamentarians who do not share each other’s political points of view most of the time, but we both strongly back this excellent scheme. As she says, this bridge will unlock many opportunities. Not only will it improve connectivity—I know that, like me, she has been stuck in that traffic for many hours, as have our residents—but it is a pathway to building more than 1,900 houses, and it will draw in about £40 million of investment from Tata Chemicals Europe, safeguarding nearly 400 construction jobs for the future. This is probably one of the best levelling-up applications that Ministers and the Department will receive, and it has cross-party support. It has to happen, and it genuinely will level up people and infrastructure.

Esther McVey: I completely agree with the hon. Gentleman, my constituency neighbour. On the extra congestion, something else that we need to bear in mind with the current cost of living crisis and the rise in fuel prices is that people are anxious that they will be left sitting in a car with the engine ticking over, going nowhere, for long periods of time, which is costly, wasteful and bad for the environment. Something has to be done. Building a two-lane road bridge, with the adjacent grade II listed bridge converted into a pedestrian and cycle bridge, is the best option, as evidenced by the feasibility study carried out by Cheshire West and Chester Council.

Other vital projects hinge on the Winnington bridge, as the hon. Gentleman alluded to. The Winnington Works in Northwich is a proposal to redevelop the brownfield site there—the old Tata Chemicals building—for a mixed-use development comprising approximately 1,500 new homes, with employment opportunities, public open space and a primary school, along with a range of other community facilities. This is just the type of project that we want to see the Government delivering in our area—one that takes a holistic approach to housing. However, the project relies on crossing the bridge with heavy building materials, demolition equipment and supplies to get the development going. We cannot build it or let people live there because they would not be able to get into or out of their new homes.

My constituents are rightly worried about further development where they live without this vital piece of infrastructure. They have said,

“I’m sure the developer will produce snazzy plans and glossy magazines for a terrific new housing estate, but they can’t build new roads or bridges that will be needed to get to and from those homes. Northwich and the surrounding areas have contributed its fair share of new housing developments”

and there will be many more, but we cannot have them “without innovative solutions”

to the transport issues we face. There we have it: broken promises from developers and previous officials are leading to an infrastructure crisis.

There are so many benefits to the project being done that people on all sides are supporting it, as my constituency neighbour the hon. Member for Weaver Vale said. That includes the council, which estimates that the work could create an extra £16 million a year for Northwich in additional spend in the local shops and services and create 300 new jobs, with up to 2,000 more jobs being created during the construction phase. The Canal & River Trust would also be delighted with the upgraded bridge. Property developers will have a chance to invest in the local area. Residents will have improved roads and cycle lanes, safer routes for the emergency services and public health services, and cleaner air and less congestion. The opening of the corridor would change the daily lives of those in Anderton, Barton and the surrounding areas of Northwich and deliver part of the Government's levelling-up agenda.

If the Government are truly determined to deliver the levelling-up agenda to all parts of the country, there could be no better place to invest and deliver it than in the construction of a new Winnington bridge. I therefore ask the Government to support the bid, just as I am doing.

11.12 am

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Eddie Hughes): It is a pleasure to serve under your chairmanship, Mrs Murray.

As a civil engineer, nothing gives me greater pleasure than the opportunity to hear a speech about a bridge. I thank my right hon. Friend the Member for Tatton (Esther McVey) for raising this important issue. I would like to put on the record, because the hon. Member for Weaver Vale (Mike Amesbury) is present, my appreciation for the great work that he did as a shadow Minister. I was disappointed to see him step down from that role, but am delighted to see him here for this debate and look forward to working with him in future.

I want to celebrate my right hon. Friend the Member for Tatton and her tireless work and campaigning for Tatton, on not only Winnington bridge but wider investment across her constituency. It is clear from her speech that she deeply understands the rich history and present needs of the community in Tatton. Her continued interest and engagement in representing the needs of her constituents, which is exemplified through her numerous written questions and debates in Parliament, is nothing short of remarkable. The Government's central mission is to level up the United Kingdom by spreading opportunity more equally throughout the country and bringing left-behind communities up to the level of the more prosperous ones. I am delighted to have the opportunity to set out our ambitious plans to address that, ensure the success of the whole country and realise the potential of every place and person across the UK.

We have already made good progress towards levelling up through initiatives such as rolling out gigabit broadband, introducing a fairer school funding formula, opening freeports, increasing the national living wage, recruiting more police officers and creating local mayors with powers devolved from Westminster. However, as Members will agree, we must go further. That is where the levelling-up White Paper comes in to build on the billions of pounds already invested in local areas over the past few years—funding that has benefited places across the United Kingdom, including my right hon. Friend's constituency

of Tatton. It is our plan to reverse this country's striking geographical inequalities and radically improve the United Kingdom.

Through a mission-based approach, the White Paper will boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where it is lagging. The White Paper will also promote a more equal spread of opportunities and public services, especially in those places where they are weakest. Perhaps most importantly, the paper will help to ensure a sense of community, pride and belonging in local places by empowering local leaders to drive that work forward.

Although the strategy is set, I know that Members are interested in what it really means for their local places and communities. I am proud that my Department will deliver the £2.6 billion UK shared prosperity fund, which will trailblaze a new approach to investment and the empowerment of local communities to level up and build pride in their place. The fund is a central pillar of our ambitious levelling-up agenda and a significant component of its support for places across the UK. I am sure that my right hon. Friend will be pleased that Cheshire West and Chester was allocated almost £13 million of funding through the UK shared prosperity fund, with more than £13 million also allocated to Cheshire East.

Importantly, new initiatives announced in the White Paper will build on the success of a wide array of funding schemes that are already in progress. Through programmes such as the levelling-up fund, which has been raised today, the Government are already providing crucial capital investment in local infrastructure throughout the United Kingdom. To help the Government to maximise the benefits of this vast funding landscape, we will also set out a plan to reduce the unnecessary proliferation of individual funding pots and streamline our bidding processes. Through that work on funding simplification, we will also promote robust monitoring and evaluation while ensuring investment tailored to local institutional landscapes.

Let me talk in more detail about the levelling-up fund and touch on what the Government have already been doing to level up local places and invest in communities. My right hon. Friend the Member for Tatton called this debate to discuss that funding, through which we are investing in infrastructure that improves everyday life for residents across the UK. The second round of funding will look to build on the success of round 1, which saw £1.7 billion awarded to 105 successful projects throughout the UK. That included £232 million awarded to 12 successful projects in the north-west of England—the highest funding award for any English region in the first round of the fund.

We recognise that community pride, such as that in Winnington bridge, is incredibly important. That is why the levelling-up fund is focused on regenerating town centres and high streets, upgrading local transport and investing in cultural and heritage assets. I know that Members and their constituents are interested in those themes, which are a key part of the levelling-up agenda.

My right hon. Friend will be aware that Department for Transport investment in the constituencies of Tatton and Weaver Vale—and wider Cheshire and Warrington—has been considerable, with more than £470 million allocated in recent years. The DFT has provided

[*Eddie Hughes*]

considerable support, and that includes £192 million invested in widening the A556 between the M56 and M6, including a bypass around Mere. The Department is also delivering a smart motorway between junction 16 for Stoke and junction 19 for Knutsford in Cheshire.

Cheshire has also benefitted from significant funding to improve local rail infrastructure, including up to £50,000 for the restoring your railway ideas fund round 3—a catchy title—to develop an early-stage proposal to reinstate passenger rail links between Middlewich and Gadbrook Park. A successful bid was also submitted in round 2 of the restoring your railway fund for a new station at Beeston castle and Tarporley.

Those are just a few examples of how the Government are investing in the wider area. I am sure that my right hon. Friend will agree that in Cheshire we are well on the way to levelling up transport infrastructure and improving the experience of residents and visitors alike.

Mike Amesbury: I continuously say this in the House, but it was only a year or so ago that part of Northwich station collapsed. We are still waiting for things to move forward, so there is not too much of a rosy picture on transport.

As the right hon. Member for Tatton said, the development would be on the brown belt. Without the bridge, there cannot be any development, so no bridge means no development—that would be our approach as local Members of Parliament and councillors. The bridge would really open up opportunities for the Government, the people and the local MPs.

Eddie Hughes: I completely respect the hon. Member for the passion with which he conveys his case. I hope he will understand that, as a Minister in the Department, it would be completely inappropriate for me to suggest or indicate support for the bid, which, as my right hon. Friend the Member for Tatton mentioned, has not been submitted because we are waiting for the portal to be opened.

In recent years our towns and high streets have faced a number of significant challenges to growth, which covid-19 has exacerbated further. These are places at the heart of our communities and local economies,

creating jobs, nurturing small businesses and injecting billions of pounds into our economy. Our £3.6 billion towns fund has harnessed the economic success of towns and high streets throughout the country, levelling up opportunity to ensure that everyone can contribute to, and benefit from, economic growth. As my right hon. Friend will be aware, more than £69 million of the towns fund has been committed across Cheshire via the Crewe and Warrington town deals and several successful bids into the future high street fund competition.

As Members may know, the levelling-up fund is competitive, with funding distributed to places across the UK on the basis of successful project selection. I know that many places, including Winnington Bridge, are preparing applications to the fund ahead of the launch of round 2. As my right hon. Friend outlined, local investment has the power to change local lives by creating jobs and further investment for places. The aim of the competitive funding is to empower local areas to identify and bring forward genuine local priorities. It will fund projects prepared in collaboration with local stakeholders that have clear benefits to the local community and are aligned with a broader local economic strategy.

I hope my right hon. Friend will understand that I will not be able to discuss the bid during the period of competition. As Members may be aware, the launch of the application portal for round 2 has been delayed, and work is ongoing to launch it as soon as possible. We will ensure that applicants have sufficient time to upload their bids. In the interim, a full suite of support materials has been published to help places to develop high-quality bids.

I again extend my thanks to my right hon. Friend and the hon. Member for Weaver Vale for contributing to the debate. I and the Minister for Levelling Up, The Union and Constitution, my hon. Friend the Member for Harborough (Neil O'Brien), look forward to working closely with them and their communities as we deliver the ambitions of the levelling-up White Paper and deliver capital investment in the places that need it most.

Question put and agreed to.

11.23 am

Sitting suspended.

Energy Security Strategy

[GERAINT DAVIES *in the Chair*]

2.30 pm

Geraint Davies (in the Chair): I have great pleasure in inviting Mick Whitley to move the motion.

Mick Whitley (Birkenhead) (Lab): I beg to move,

That this House has considered the British energy security strategy.

It is a great privilege to serve under your chairmanship, Mr Davies, and I am grateful to Members for participating in this important debate. The issue of energy security has never been so important. Putin's onslaught on the Ukrainian people, the obscene profiteering of the oil and energy giants and the petrol retailers' opportunist price hikes have led to soaring energy bills, with Ofgem warning that up to 12 million households could be plunged into fuel poverty this year. Too many of my constituents are grappling with the terrible dilemma of whether to heat their homes or put a warm meal on the table. Meanwhile, Putin's efforts to weaponise Russian gas and oil have forced Europe to reckon with the challenge of charting a course towards energy independence. All the while, the window for avoiding climate catastrophe is rapidly closing, with the latest report from the Intergovernmental Panel on Climate Change stating clearly that we must decarbonise at a speed previously thought to be unimaginable.

The forthcoming energy security Bill is one of the most significant pieces of legislation ever to be brought before Parliament, but the strategy outlined by the Government fails to come near the task of tackling the scale of the crisis we face. The energy security strategy offered the Government the opportunity to harness the potential of our wind, tide and sun and deliver a greener and more independent energy system. However, while the Government have gone beyond their manifesto commitment and even the recommendations of the Climate Change Committee with the target of delivering 50 GW of offshore wind power by 2030, that scale of ambition is not matched for other renewables. The Government's refusal to support new onshore wind developments is particularly disappointing, given the massive public support for new wind farms.

John Redwood (Wokingham) (Con): What back-up would we need if we became even more dependent on wind? There are days when the wind does not blow and then we get no wind power.

Mick Whitley: I will try to cover that later in my speech.

Onshore wind can meet the growing demand for electricity as our economy decarbonises, but also, importantly, it could help us to transform the economic fortune of left-behind communities, with the potential to boost the UK economy by more than £45 billion and create 57,000 new jobs. By accelerating the development of the 649 individual solar and wind farms that have already been granted planning permission, we can eradicate the need for Russian gas imports entirely. Putin's ransom demands can be safely ignored.

There are many of us who had hoped that the Prime Minister might undo the draconian planning restrictions for onshore wind, introduced by the Cameron Government, that have made it virtually impossible to build new wind farms in all but a handful of local authorities. In 2020, the Prime Minister reversed his predecessor's decision to exclude onshore wind from the contracts for difference scheme. Our hopes for a repeat performance were bolstered in the weeks running up to the publication of the energy security strategy, which appeared to commit the Government to tripling onshore wind capacity by 2035. That would have been a bold, progressive policy and a sign of a Government who understand both the needs of our country and the public mood. However, the plans were strangled at birth by Tory Back Benchers and their allies in the Cabinet, some of whom have happily taken small fortunes from fossil fuel giants and so-called climate sceptics. Now, the strategy explicitly rules out the planning reforms that are essential to unlocking the promise of onshore wind.

It is not just onshore wind that is being ignored by the Government; the UK has half of all Europe's tidal energy capacity and many experts agree that no country anywhere in the world is better placed to exploit the remarkable power of the tide.

Kim Johnson (Liverpool, Riverside) (Lab): My hon. Friend is making some excellent points. Given that we have the amazing River Mersey separating our two constituencies, does my hon. Friend agree that the Government need to operate at speed to support the Mersey tidal power project?

Mick Whitley: My hon. Friend makes an excellent point. The Mersey tidal project alone has the potential to power more than 1 million homes and produce almost as much electricity as Hinkley Point C at a fraction of the cost, yet around 14 GW of tidal capacity has been cancelled, lies dormant or is languishing in the early stages of development. The strategy makes no commitment to supporting tidal power—an omission that has rightly been described by the British Hydropower Association as “incomprehensible”.

Wera Hobhouse (Bath) (LD): Is it not absurd that a lot of tidal power projects are rejected on the basis of cost, yet nuclear is the most expensive way of producing energy?

Mick Whitley: I thank the hon. Lady for that point. The Minister will point towards the considerable up-front costs of tidal power as a barrier to progress, but such a view ignores the fact that all renewable technologies are expensive in their infancy, as well as the fact that some of these installations could have lifespans of more than a century.

John Penrose (Weston-super-Mare) (Con): The hon. Gentleman is to be congratulated on getting this debate organised. My constituency of Weston-super-Mare fronts on to the Bristol channel, which is the largest source of potential tidal power. He is right, of course, about the up-front costs being significant and the lifetime costs being lower. However, even factoring that in, the total lifetime levelised costs of tidal power are, from all the figures I have seen, dramatically higher than anything else out there. Has the hon. Gentleman seen figures that I have not?

Mick Whitley: I have only the information that we have received, and it has all been fact-checked. Quibbles about the costs of tidal power look frankly laughable when we consider the strategy's proposals for new nuclear capacity. The Prime Minister's refusal to unleash the full force of the renewable revolution has left him with no choice other than to bet big on nuclear power, with a target of more than tripling our current capacity by 2050. That is perhaps the most radical segment of the strategy, requiring as many as eight new facilities to be given approval in as many years and calling for the roll-out of new nuclear—including small modular reactors that are as yet commercially untested—at an unprecedented rate.

I want to be clear: I have never been opposed to nuclear power. It has a vital role to play in meeting new electricity demand in the coming decades, and it is right that we begin to undo decades of under-investment and invest again in jobs and skills in the nuclear industry. However, we must question the viability of the plans. The Government are calling for the roll-out of new nuclear at a speed and scale never before seen in this country, and the risk of falling short, without having adequately invested in alternative forms of energy, is enormous.

Even more dangerous to our future are the strategy's proposals for the future of North sea gas and oil. For the UK, the question of how we end our reliance on Russian gas and oil is critical; however, for the millions of Ukrainians whose homeland is being devastated by a Russian war machine fed largely by energy exports to the west, it is truly a matter of life and death. That is why I fully support the Government's commitment to phase out Russian oil imports by the end of the year.

However, we must be careful that in standing up to Putin's aggression we do not end up dealing a devastating blow to our efforts to tackle the threat of climate change. It is quite frankly absurd that instead of using the crisis to begin to end our fossil fuel addiction once and for all, the energy security strategy instead looks to authorise the North Sea Transition Authority to begin a new round of licensing this autumn. It will take an average of 28 years for these installations to begin production, meaning that they will do nothing to improve our energy security or reduce prices in the short term, while locking us into new fuel consumption that the UN Secretary-General has correctly described as "moral and economic madness".

I warn the Minister: future generations will not forgive this Government for failing to lay the foundations for a fossil-free future. They will not look kindly on Conservative Governments' abysmal record on improving energy efficiency, from the Cameron Government's decision to cut the "green crap", which sent the number of loft and cavity wall insulations plummeting by 92% and 74%, to the collapse of the green homes grant scheme, which ended up costing precious jobs in my region of the north-west.

Our country has one of the oldest and least energy-efficient housing stocks in Europe, and that is costing millions of people dearly every month when they get their energy bills. The energy strategy is totally devoid of any credible solutions to make mass insulation a reality. I urge the Minister, in the national interest, to reach out to the shadow Secretary of State for climate change and net zero, my right hon. Friend the Member for Doncaster North (Edward Miliband), and get to work to implement his proposals to insulate 19 million homes over the next decade.

Another issue that the energy security strategy ignores is the enormous potential for community energy to contribute to a more secure and resilient energy supply in the UK. Had the Government backed community energy schemes back in 2014, we could now be producing up to 3 GW in community energy. Instead, there has been almost no growth over the past eight years. That is the consequence of the Government's fundamental failure to reform energy markets and licensing rules, which forced community energy schemes to assume around £1 million in up-front costs if they wanted to build renewable generation infrastructure.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): I agree with some of what the hon. Gentleman says and disagree with other points. I represent a largely rural constituency in Suffolk where many homes are reliant on heating oil. Does the hon. Gentleman share my concern that more needs to be done to support those homes to transition to a different type of energy, with more incentives in the system to do that?

Mick Whitley: I agree. We need to look into hydrogen as well as oil for people living in rural areas of the country. It is a problem, but one that we can overcome.

There can be no more secure a form of energy than that owned and produced by local communities and sold directly to local residents. With the energy security strategy soon to come before Parliament, I urge the Minister to take on the proposals of last year's Local Electricity Bill and to empower community energy schemes to sell their power to local consumers.

I want to mention something that I know is anathema to the Minister and his colleagues, but which is essential to deliver the fundamental changes to our energy system that are so desperately needed. We need to recognise that the sector should be a service working for the public good. It should be taken back into public ownership. The handover of gas and electricity in the 1980s to Sid the shareholder and his mates down the street was always a cruel deception. The energy companies were bought and run by corporate giants. They were privatised to provide profits for the big stock market players, and poor Sid was bought out before he could turn a penny. It resulted not in a shareholders' democracy but a corporate plutocracy.

At the very beginning of the current crisis, the chaotic system of private ownership was a serious blow to our energy security. Not only has it meant that ordinary people are victims of soaring energy prices in a way unseen anywhere else in Europe, but it left the whole energy market in the hands of private monopolies with little concern for the interests of our country or its people. It has tied the hands of successive Governments when developing the responses to the climate crisis that we desperately and urgently need.

By taking energy back into public hands, we can plough profits into driving the decarbonisation of our energy grid and funding a state-owned renewables company to pioneer technological innovation in the sector. We can ensure that the British people get to decide what happens to resources that should belong to us all. We can ensure that the pace of the green transition is dictated by the demands of the crisis we face and not by the whims of private shareholders.

I am looking forward to what I hope will be a lively and wide-ranging debate. Let me reiterate that the decisions that Ministers make in the coming months will not only have implications for whether we can keep our country running during the approaching winter and whether we can defeat Putin's use of gas as a ransom demand in his war against the Ukrainian people; they will determine the existential question of whether we leave future generations a planet ravaged by climate and ecological breakdown, or one that is greener and more secure than ever before.

2.44 pm

David Johnston (Wantage) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate the hon. Member for Birkenhead (Mick Whitley) on securing this debate.

I think we have all understood, intellectually, that our energy supply is a national security issue, but that reality has smacked us in the face this year with the way that Putin has weaponised energy supply. We have seen that a global spike in demand causes British families real pain in their pockets. The Government are trying to do what they can, but those forces are ultimately beyond their control. They can mitigate the impact, but they cannot totally prevent the problems. I welcome a lot of what is in the energy security strategy, not least the fact that it puts us on track to have 480,000 clean jobs by 2030 and £100 billion of private investment. The Government should invest in these technologies, but we will only get to where we want to be if we access private investment to support them.

We have been world-leading in eliminating coal. I very much welcome the Government's ambition to have 25% of our electricity capacity come from offshore wind and to trial onshore wind as long as there is local support for it. I look forward to seeing how much local support there is, given how many complaints I get about other planning issues. If the support is there, it is absolutely the right thing for us to do. I have had lots of correspondence from constituents about solar panels. Some people have already got them up and would like to see many more of them up. I welcome what the Government are doing to make it easier for people to put them on top of their houses and buildings.

I have a number of great colleagues who are champions of hydrogen. It will be very important to their local economies. It will not be so important to mine, but I very much welcome the fact that we will be developing new systems for transporting and storing hydrogen. Many people think it has a huge part to play in our energy security.

We know that a lot of our problems come from energy efficiency, in respect of both homes and buildings. I have been campaigning to try to get new homes to be built to the latest environmental standard that Government set, rather than the one that existed at the time planning permission was granted, which is often five or six years earlier. It means that house builders are able to get away with putting in things that they know have got to be retrofitted in just a few years' time. I think that once a certain time has elapsed after planning permission, houses should have to be built to whatever the latest standard is that the Government have set.

I welcome the temporary relief on VAT for energy efficiency projects for houses, but we are going to need a very large retrofitting programme. It is important to get the new homes right, but we need to learn from the green homes grant scheme and put in place the right retrofitting programme; then we will not need as much energy as we are using at the moment. Similarly, the Government are providing welcome financial support for people to get heat pumps, but it is still too expensive for most people. The manufacturing competition that we will have this year can, I hope, do something to bring down the cost of that technology. I have a significant number of constituents who would like to put one in if they could, but they just cannot afford it.

The Local Electricity Bill has already been touched on and I am sure it will be mentioned by other Members. More than 300 MPs now support it. It would be remiss of me, the lead sponsor, not to touch on it briefly before I close. We have not done enough in this country to support community energy projects. They are hugely popular where I am and I am sure in a lot of other places, but most small-scale generators of community energy are still faced with licence agreements that are more than 500 pages long, and set-up costs are between £250,000 and £1 million. Successive Governments have tried to do things to help more community energy into the market, but if we look at the Licence Lite scheme, we see that only three such licences have been granted since 2009. None of them have got to operation yet and none of them have involved community energy.

I have been working with Steve Shaw and other powerful people to try to get to a position where we can generate more community energy. I know that the Minister believes in its potential. We have been working with his officials. Essentially, the system is too complex and time-consuming at the moment. We need to find a way to get people a clearer route to market, to give them greater certainty over the price, revenue and contract length. We probably need a system that enables them to team up with an existing supplier so that they can take advantage of its metering and compliance capabilities, which the smaller-scale generators will be unable to do.

People disagree about whether we should have nuclear, fracking and new oil drilling. They argue about which is the best form of renewable energy to put the most money into, but they do not tend to disagree about community energy, because they think it is a good thing. If we can do more to help that, it could be an important part of our energy security strategy.

2.50 pm

Wera Hobhouse (Bath) (LD): I congratulate the hon. Member for Birkenhead (Mick Whitley) on securing the debate.

Energy security is as important as ever in the face of the climate emergency and the need to get to net zero, but also in the light of more recent events, which have seen energy prices and household energy bills soar. There is some good news: the less we depend on fossil fuels, the better for the climate and household bills. It would therefore be completely wrong of the Government to go back to more fossil fuel exploration. Instead, an even more ambitious plan for the roll-out of renewables is the right way forward.

[Wera Hobhouse]

The opportunities are fantastic and plentiful. I have mentioned just one, which is floating offshore wind. I believe that Britain could be a true global leader in this field, and the Minister will find in me a passionate and true supporter of all efforts to help the development of floating offshore wind in this country. There are fantastic opportunities, and we need to help develop them. There are some barriers as well, but the opportunities are amazing, and Britain could truly be a leader and an exporter of renewable energy.

John Redwood: Perhaps the hon. Lady will answer what the hon. Member for Birkenhead (Mick Whitley) did not: what would the back-up arrangements be? We have had quite a number of days this summer when wind has generated only 2% of our energy, and we have been using coal as back-up. What is the back-up, and is that not part of the cost of wind?

Wera Hobhouse: I thank the right hon. Member for his intervention, because it goes to the core of the argument. There are already models, and they have been around for some time. The idea of having a baseload is old-fashioned thinking, and I am grateful to the hon. Member for Wantage (David Johnston) for mentioning community energy. We need much smaller devolved energy supply and production, rather than massive, centralised providers, and the idea of a baseload is becoming more and more obsolete. Indeed, if we had floating offshore wind, whereby the generation of electricity takes place far out in the sea rather than on the shallow seabed, there would be enough energy to meet Britain's demands.

I believe in going even further and exporting renewable energy. If we do not do it in Britain, other European countries will come forward. I do not know whether the right hon. Member for Wokingham (John Redwood) has been to briefings on floating offshore wind, but it is fascinating to see the enormous amount of energy that such installations can produce. If we do not take the opportunity, the technology will be used by other countries and they will become the leaders in that technology instead. I say to the Minister that I am a passionate and true supporter of any Government efforts to support floating offshore wind. It is a new technology, but it is very encouraging and interesting.

Home installations should have been a key part of the Government's energy security strategy, but they were not. Instead, the energy efficiency of our homes is among the worst in Europe, and the Government are leaving people to suffer with high bills and heating costs. Meanwhile, the Government have failed to invest in more renewables, particularly onshore wind, but as I have just mentioned, I believe that they should be seriously looking at offshore wind and floating offshore wind. They have instead committed to eight new nuclear power stations, and the Minister is aware of my well-known objection to that. The Government have not reversed the effective ban on onshore wind, and the new nuclear power stations will add £96 a year to people's energy bills.

We have already discussed how expensive nuclear-powered energy is compared with renewables. EDF previously estimated that the cost of funding the Sizewell C nuclear power plant in Suffolk will add up to £12 a year

to household energy bills for every family in the country at its peak. The Government have confirmed that each new nuclear power plant will add around £1 per month to energy bills during construction. There are just over 26 million households in England, Wales and Scotland, meaning a bill of £2.6 billion a year is set to land on households because of the Government's failure to plan ahead and invest more in renewables years ago. This comes as the energy price cap has risen by just under £700 on average, with further increases expected in the autumn.

The Government recently passed a new law that will allow them to add levies to energy bills to fund new nuclear plants. It is madness, as I keep saying. The Liberal Democrats attempted to exempt at least the most vulnerable from the additional levies, but the Government rejected that proposal. Investing in renewables instead would come at a fraction of the cost currently set aside for nuclear.

There is huge potential for more community-scale renewable energy, which has been mentioned today, and I ask the Minister to respond on that point. We need more community energy and, as has been said, more than 300 MPs are behind it.

The biggest advantage of community energy is in bringing people behind the need to get to net zero. We are going to face many disruptions in order to get to net zero by 2050, and bringing people on board will be the most important thing we can do. Community energy is the best place to drive the movement to get people behind net zero. We have already heard about the difficulties, but nothing is beyond us if we really have the political will to achieve it. My ask of the Minister is to respond positively on how we can remove the existing barriers for community energy.

The measures necessary to tackle climate change will take a big effort and cause a lot of disruption. The Government must acknowledge that there will be disruption, but community energy is one way of making sure that people are fully behind it.

In the past decade, community energy has seen little to no growth. The Environmental Audit Committee has noted that, between 2020 and 2021, community energy increased by a meagre 31 MW, less than 0.5% of total UK electricity generation. An enabling mechanism would not only protect families from soaring energy bill costs, but benefit the economy through job creation. It is clear that it would open a stream of jobs and economic wealth. For example, the 2020 community energy groups across the UK have more than 3,000 volunteers and almost 500 full-time staff. It is estimated that a twentyfold increase would create almost 60,000 skilled jobs, and that is at the lower end of the forecast.

Will the Government include in the upcoming energy security Bill an enabling mechanism, such as that proposed by the Local Electricity Bill, to protect individuals, families and the environment at such an essential time? As we have already heard, there is much support for such a measure. I hope the Minister will focus on answering that question.

Several hon. Members rose—

Geraint Davies (in the Chair): We have four speakers left. We will start Front-Bench speeches at 3.28 pm. That gives Members seven minutes each. I will start with John Penrose.

2.59 pm

John Penrose (Weston-super-Mare) (Con): Thank you, Mr Davies. I congratulate the hon. Member for Birkenhead (Mick Whitley) on bringing this debate before us today.

I support a great deal of what is in the energy security strategy. The measures to diversify our electricity supply are welcome, necessary and absolutely essential, particularly with what is going on in Ukraine and internationally, as we have already heard from numerous contributions. There is a great deal to applaud and support in the document. However, the problem is that, while most of the measures are good, necessary and welcome, they are very long term. We cannot build a nuclear power station or even an offshore wind farm terribly quickly. Most of them are several years away at a minimum, and some of them a great deal longer than that.

Of course, the energy crisis is now—today. All of us have people in our constituencies who are struggling with their bills, which are bad already and will be even worse this autumn because, as we have already heard, of the expected rise in the energy price cap. There will be another swingeing increase and people will find that what is difficult today will be impossible by then. I urge the Minister to consider some short-term measures in parallel with the Bill, to ensure that we do not forget the pain. We need measures to deal with some of that pain as fast as we decently and respectably can.

We have already heard from pretty much everybody who has spoken so far about the importance of insulation, so I will not belabour that point, other than to say that it is right and we need to do more about it. We can do something about it and the effect will be instant for householders. There is a problem with supply and getting enough skilled people to install the rotten stuff, but if we can get that solved—we should start now—it is the sort of thing that will happen much faster than the time it takes to build an offshore wind farm. We should have begun already.

Equally, the energy security strategy has a gaping hole when it comes to the review of electricity market arrangements, or REMA. Onward has today published a good report on what needs to be in that review. In summary, everybody has been saying for several years that the cost of renewables is falling. In fact, the cost of offshore wind is a fraction of what everyone expected it to be today, which is excellent news. The problem is that none of that is showing up in our energy bills because our energy market, particularly our electricity market, is a slave to the international price of gas. That is what it tracks and that is what dictates the bills that we all get. We need to reform that market and allow those lower renewable costs to feed through to customers. The money is there. It does not require windfall taxes or Governments to intervene through the benefits system or council tax rebates. The money is there if we can just get the flipping stuff to feed through a different market mechanism—an open market mechanism—and land in the bills on people's doorsteps.

A lot of renewable energy sources—offshore wind farms, for example—have been built under contracts for difference, which the Minister and his predecessors have been very good about. A lot of those contracts for difference are now massively in the money. In other words, they are a great deal cheaper in relation to the power they produce than the charge that we are all

getting on our bills. We could take the green energy levies, which are already on our bills and which add to them, and say, “Those could be negative—they could be discounts.” Everybody could receive a rebate on their bills if we let the negative price differential between the contracts for difference, which have been signed up to, and the real price today feed through to our energy bills. That is just one example of the kind of change we could make. It could happen fast and it would prove to people that green levies do not always have to be expensive. In fact, they could be beneficial and create great retail buy-in to the notion of green power.

Finally on these short-term measures, later this year the existing energy price cap legislation will come up for either roll-over or renewal. I want to make an urgent and earnest plea to the Minister: rather than just rolling the thing over, we should instead reform it dramatically, because it was originally introduced to do something entirely different from what it has been doing. It was introduced originally to try to get rid of the loyalty penalty, which penalises people who do not switch. People were being ripped off left, right and centre if they did not switch, and that added cost to the market overall, which is mainly focused on people who are loyal, but it was spread across the entire market and ultimately raised overall prices.

The cap is hideously expensive to administer and imposes enormous complexity and hedging costs on energy market firms, many of which have gone bust because they did not get their hedging right. If we can simplify that cap, change it dramatically and change how it works, we can strip out all that cost. If we strip out all that cost, that rebate, discount or reduction in costs can be fed through to the customer. Again, that could result in a lower overall cost to our hard-pressed constituents, all of whom are struggling now and all of whom will be struggling even more.

There is a lot to admire, to applaud and to support in the energy strategy, but an awful lot is missing. We need to address that quickly and urgently, and it needs to happen now in order to make a difference to all our hard-pressed constituents as soon as possible.

3.5 pm

Peter Dowd (Bootle) (Lab): It is a pleasure to see you in the Chair, Mr Davies. The fact is that if we took the approach of the right hon. Member for Wokingham (John Redwood), we would not have moved on from the use of coal. In the 19th century, coal powered virtually everything, but then oil and then gas started to power things. We have to move on. There has to be a short, medium and long-term strategy. It is fine if people want to ask me, “Well, what are your plans for next week and the week after that?” We can have lots of plans for next week, but there also have to be plans for the medium and long term, and that is what the energy strategy is about.

John Redwood: Will the hon. Gentleman give way?

Peter Dowd: I will in a moment. The right hon. Gentleman also asked about the alternative energy supply if wind drops off. It has to be part of a comprehensive package—that is the issue. Energy has to be available and one does it in a variety of ways. It is not simply about a turbine going down and that being the end of

[Peter Dowd]

the matter. There are designs available out there, for example in Cape Cod, where a company, developer, Government or state—call it what you will—can ask about an area's topography and then design wind turbines to maximise the capacity, and that is built into the strategy. That is how it is done—through technological use of the topography, so to speak.

John Redwood: The hon. Gentleman completely misrepresents my views. I was an adviser to the new electricity-generating system at the time of privatisation, when we encouraged and designed a system that carried out a massive switch out of coal and into gas because it was cleaner and a lot cheaper. That was the first green revolution. I hope he will withdraw his slur on me.

Peter Dowd: If telling the truth is a slur, I certainly will not withdraw it. The fact of the matter is that the right hon. Gentleman has to come into the 21st century. The system is not working. We have a privatised, market system that, quite frankly, is not working. The problems we are now having because of the Russian invasion of Ukraine just reaffirm that the model is not working and that we do not have the disparate energy supply that we actually need.

I agree with much of what the hon. Member for Weston-super-Mare (John Penrose) said on market reform, so I will not go into that. He also raised the issue of tidal power. My constituency is on the Mersey and overlooks a lot of turbines, but for a long time, since I was a member of Merseyside County Council 40 years ago, we have also been trying to get the Mersey barrage. There are lots of examples of barrages working well across the world—I did have a list of them, but I do not have it to hand—and they are priced relatively well. That is also case in other countries that are pushing the green agenda. The Netherlands are using their topography, as are the Spanish. The Japanese are now virtually in the position where they can have 100% efficiency with wind and a variety of other sustainable energy plans. India, Australia, France, Germany, China and the USA are moving ahead. Yes, the UK is doing well, but we are not doing well enough. We have to move on as much as we possibly can.

One of my concerns is the Government's approach to community energy companies. A letter from the Secretary of State for Business, Energy and Industrial Strategy to a colleague says:

"The right to local energy supply already exists under the Electricity Act 1989 and Ofgem, the independent energy regulator, has existing flexibility to award supply licences that are restricted... Changing the licensing framework to suit specific business models risks creating wider distortions elsewhere in the energy system, which could increase costs for other consumers and further unintended consequences."

I do not believe there is any evidence whatsoever for that—quite the contrary—so it would be interesting to hear what the Minister has to say about it. In my opinion and that of many other people, that letter is not factually correct. For example, in a local network, energy loss through the system is significantly lower. That has not been factored into the Government's strategy, but it should be.

The Secretary of State's letter effectively pooh-poohs the idea of local community enterprises on the grounds that they will distort the market—well, if we do not

have a distorted market at the moment, what precisely do we have? We are here today to push the Government to create an energy market that serves the country. I do not want to go into the issue of nationalisation and public ownership of the energy sector, because my hon. Friend the Member for Birkenhead (Mick Whitley) has already done so, but at the very least we have to have a good look at it, because the market is not working. It is as simple as that, and I would challenge anybody who tells me it is. We have to move on, and as the coalition Government said in their July 2011 UK renewable energy road map—we came to a bump in the road somewhere between 2011 and now—

"The nations of the United Kingdom are endowed with vast and varied renewable energy resources. We have the best wind...and tidal resources in Europe."

That is as true today as it was 10 years ago, but I am afraid we are not using all the advantages we have as a nation. We have almost an inbuilt potential energy supply, but we are not using it. It is about time that the Government get to grips with that and use what we have now, not just in the future.

3.12 pm

John Redwood (Wokingham) (Con): I welcome any measure to buttress our energy security. Ministers are right to be alert to the difficulties we face. I am concerned about this decade. Once again in this debate, we have heard many ideas about nuclear, wind and solar—new technologies that may make a great contribution in the next decade—but our task today is to reinforce all the things that the Minister is doing to keep our lights on for the next three or four years. Our more immediate task is to see what contribution the United Kingdom can make to getting Russian gas and oil out of the European system. We need to make our contribution, providing more of that supply from our domestic sources as part of our war effort. We need our people, who want to keep the lights on and the boilers running, to feel secure that we will make our contribution in case Russia turns the taps off.

Wera Hobhouse: It is simply not true that renewable energy projects will take until next decade to be developed. In fact, many of them are waiting; it is just that they cannot be connected to the grid. Can the right hon. Gentleman correct what he has just said about renewable energy projects?

John Redwood: I am afraid that the hon. Lady, and other Members who have made similar contributions, do not understand that I am dealing with the problem of intermittency. In order for all the extra wind they want to be useful, there needs to be a way of timesharing the wind power. We already have days on which wind and solar together produce less than 10% of our electricity, and most of our constituents are not using electricity to drive or to heat their homes, so that is a very small proportion of our total energy.

The vision of wind requires mass battery storage—we seem to be years away from the technology and the investment required to do that—and/or conversion to hydrogen. Green hydrogen would be a perfectly good answer, but again, we are years away from the investment, the practicalities and the commercial projects that could turn that wind energy into hydrogen. My constituents would love it if they could get hydrogen today. They do

not want to have to rip out their gas boiler; they would quite like to be able to route more hydrogen through the existing gas boiler and make their contribution to the green revolution.

However, MPs have to be realistic. Our prime duty is to ensure that our constituents can live in relative prosperity, keep the lights on and have access to decent energy for their requirements. At the moment, most of our constituents get to work and to the shops using a diesel or petrol van or car; most heat their homes and water with a gas, oil or coal boiler. Very few use electric technology for that. If there was the great popular electrical revolution that they have bought into, and they could suddenly afford the electrical products and liked them, we would have a huge problem, because we would be chronically short of electricity generating capacity.

The true electrical revolution on the scale that the hon. Member for Bath (Wera Hobhouse) would like would require an enormous investment in new electrical capacity. If everybody went home tonight and plugged in their car, which uses more electricity than the rest of the home, and heated their homes using electricity, there would need to be a big increase in capacity. *[Interruption.]* The hon. Lady is shaking her head. She wants to get real! Does she really want to cut off her constituents because she so hates them using gas?

Wera Hobhouse: This is about choices. We cannot forever get stuck in the past, as we have just heard. We need to look forward to the future. Investment in renewables is the only way I can see as the right way forward. Yes, that needs adaptation; yes, that needs our constituents to come along. However, it is a necessity. We cannot bury our heads in the sand.

John Redwood: Once again, the hon. Lady is in denial. She will not answer the intermittency problem. Does she ever look at the hourly and daily statistics on the grid to see, quite often, how little of our power is renewable-generated? That is because of physics and weather. We have to find technological answers to that. Now, there are technological answers, but at the moment they are not being adopted. They are not commercial and they have not been trialled properly; there may be safety issues and all sorts of things.

Peter Dowd: Yes, they have.

John Redwood: The hon. Gentleman says that they have been trialled. Why are they not there, then? Why can I not turn on my hydrogen tap now? There are all sorts of commercial issues and issues about how to route it to every home and so forth.

Peter Dowd: The right hon. Gentleman is so fixed on this idea of commerciality. There will potentially come a point when the taxpayer—for the sake of argument—decides that the Government are going to invest. I know that the right hon. Gentleman has an ideological obsession with the Government not doing that. However, in the current situation, does he not agree that the state might sometimes have to do just that?

John Redwood: But that is happening. We already have one of the most over-managed systems because successive Governments have put in all sorts of subsidies, tax breaks, interventions, price controls and all the rest

of it to try to send those signals. That is why we have the current mix—it is not the exact mix the market would have produced.

I fully accept that there is often a role for Government when we try to develop new technologies. I have no problem with that. However, it does require agreement on what that technology is, agreement on the scale of the effort needed and realism about how many years it would take. It is all very well for the Members present to say that they have a vision of everybody using an electric car and having a heat pump. However, if their constituents cannot afford it or do not want it, it does not matter what Members think—they have to deal with the world as it is. We cannot lecture our constituents into having a heat pump. They will have a heat pump when it is affordable, when it is a good product and when they think it makes sense, and they are nowhere near coming to that conclusion at the moment.

The crucial question in this debate is what more the United Kingdom can do at this critical moment. We have to help our allies and friends on the continent who are gas short and oil short and want to get Russia out of their supply system but cannot do so because it would collapse their industry, while Russia is financing a war by selling its oil and gas into Europe as well as elsewhere. I think there is a lot more we can do.

I urge the Minister to see it as both a patriotic duty and a crucial duty to our allies to work closely with our producers and owners of oil and gas reserves in the United Kingdom and maximise output as quickly as possible. Some of the output can be increased quite quickly; for others, it will take two or three years to get the investments in. Will the Minister do everything he can to expedite it? We owe that to our constituents, because gas and oil are too dear—every little extra that we can produce will make a little difference—and confidence in markets might be affected. Above all, we owe it to our allies, who will otherwise be financing Putin's war.

3.20 pm

Jim Shannon (Strangford) (DUP): Thank you for calling me to speak in the debate, Mr Davies. I thank the hon. Member for Birkenhead (Mick Whitley) for securing it. By doing so, he ensured that we all have a chance to feed into the process. Given the feedback from all parts of the Chamber, the issue creates much interest. There might be some differences in how to do things, but the realisation of the goal—what we have to achieve—is clear to everyone. It is always a pleasure to see the Minister in his place, and I look forward to his response.

Only this morning, in a Westminster Hall debate on low emissions from vehicles—buses in particular—we had the chance to look at a greener environment in terms of transport. Another Minister—the Under-Secretary of State for Transport, the hon. Member for Copeland (Trudy Harrison)—had responsibility for that debate, and the interest in it was also significant. The issues surrounding our renewable energy strategies are extremely important.

This is certainly a “right now” issue, because it is about how to address the situation right now. The right hon. Member for Wokingham (John Redwood) spoke at some length about the issues across the world that would have an impact on us all, with millions affected

[Jim Shannon]

by the rise in energy prices. As others have said, I fear that this autumn and winter we will feel it, and that our constituents will see something different and even more difficult than in the past. I look forward to discussing the progress we should be able to make on behalf of our constituents throughout the United Kingdom.

Mention has been made of nuclear power, of which I am a supporter. We do not have nuclear power in Northern Ireland, although I wish we had, because it would help us to reduce some of our energy costs, which are quite extreme. The Government, however, have a clear strategy on it, and one that I support, so I hope that the nuclear power part of their strategy is successful.

The Minister has regular discussions with the Department for the Economy Minister in the Northern Ireland Assembly, Gordon Lyons. In the past, the Minister has been interested in hydrogen issues, and in Northern Ireland we are keen to realise that potential and the initiatives that are moving forward, as we can across all parts of the United Kingdom.

The energy security Bill was listed in the 2022 Queen's Speech, the first energy bill since 2013. We have witnessed two to three years of the covid pandemic and, furthermore, Putin's devastating invasion of Ukraine, which has restricted the supply of gas to the European market, causing extortionate price increases for domestic and industrial users. Renewable energy can generate electricity at around one sixth of the cost of gas generation in the UK and, with the energy price cap expected to reach nearly £3,000 this winter—up from £1,200 in April—that is the proof we need to focus our priorities on reliable flows of affordable energy.

Over the past couple of years, there have been considerable efforts to increase our use of renewable energy, which I support, although I think we have to be realistic about what is achievable. The right hon. Member for Wokingham, who spoke before me, also indicated that. It is not that we are against renewable energy; it is just that we need to look at the bigger picture and at what it means. That is what he was saying.

In 2020, the UK had turnover of £41.2 billion in renewable energy, with Northern Ireland, the smallest of all the nations and a population of only 1.8 million, contributing almost £1 billion to that total turnover. Furthermore, in 2021, back home, 41.3% of our electricity consumption was generated by renewable sources, which is a brilliant accomplishment. In Northern Ireland, I believe that we are doing something good. The Minister is aware and supportive of that.

Multiple times, I have raised the importance of enabling community energy and of allowing our local communities the opportunity to empower their own energy strategies. We might not have had as much success with that as we would have liked, but we have all been inundated with emails, calls and letters from constituents who are genuinely concerned about whether they will be able to pay their bills this winter. Domestic energy security is at the forefront of our priorities.

The Prime Minister himself has stated:

"Energy companies tell me they can get an offshore wind turbine upright and generating in less than 24 hours but that it can take as much as 10 years to secure the licences and permissions required to do so."

Although the Government's aim to produce more hydrogen power, wind turbines and green affordable energy is welcome, I am afraid that 10 years for permissions is doing little to support the British economy. Perhaps the Minister will indicate how that period can be shortened.

We are collectively on the right path to producing a more secure energy strategy, but that provides little assurance to those facing large energy bills today. The Northern Ireland Department for the Economy has stated that non-domestic electricity consumers account for 51% of Northern Ireland's total electricity consumption. Elevating our green, clean and affordable energy strategy gives our local businesses a monumental opportunity to save money and contribute to our 2050 net zero targets.

We had a tidal project in Strangford a few years ago. It was a pilot scheme and seemed to go quite well, but it never came to anything. I was really disappointed. I know that the Government here supported that, along with the Northern Ireland Assembly. I am not trying to throw the Minister a curve ball, but were there any discussions with the Northern Ireland Assembly, and Gordon Lyons and the Department of Enterprise, Trade and Employment, to see if that could be progressed? I believe it could do much good. Queen's University biology station at Portaferry was very involved in that and is keen to progress the project.

The Energy Security Bill marks an unprecedented opportunity to ensure that businesses and homes can stay warm this winter. If we bring an end to our reliance on fossil fuels, as the Government have stated they will, we have the capacity to support global efforts to strengthen energy security. We must take advantage of our wind resources, tidal resources and energy sources in the United Kingdom at a price that our economy can afford. If our economy can afford it, customers can afford it and our constituents can pay their bills. This should be, without doubt, a national effort.

3.27 pm

Owen Thompson (Midlothian) (SNP): I congratulate the hon. Member for Birkenhead (Mick Whitley) on securing this debate. It has been great to hear a range of views.

It is obvious to many that the Westminster style of government is often one that seems to tinker around the edges and prioritise flashy point scoring over a long-term strategy. That is why it is strange to see something that calls itself a strategy, but is really just tinkering around the edges, rolled into multi-year plans. The energy security strategy comes at the right time to address the climate crisis and the cost of living, but fails on both fronts, not least because of the gaping holes in it.

I will first touch on the near total lack of support for tidal energy, which we have heard from other Members.

Peter Dowd: The hon. Gentleman reminds me of the point that the hon. Member for Weston-super-Mare (John Penrose) made about cost. The Sihwa tidal scheme in South Korea, the Rance scheme in France, the Annapolis scheme in Canada, the Jiangxia scheme in China and the Kislava Guba scheme in Russia all want to expand because they recognise that it is a cheap way forward.

Owen Thompson: I agree. We do not even need to look that far; we only have to look at hugely innovative tidal projects like Nova Innovation in Leith, which

could be game changers with the right support, yet the strategy's only commitment to any tidal energy is to simply explore it.

The energy sources need a guarantee and ring-fenced money every year. After years of campaigning from Members in my party in particular—I congratulate my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) and my right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford)—the Government finally agreed last year to provide £22 million in ring-fenced funding for tidal energy. That is welcome—I make no bones about that—but £22 million simply does not reflect the huge potential of tidal, which can produce more than 15% of the UK's energy generation capacity, according to a Royal Society report last year. A £71 million pot, which is what the aforementioned Members had been pushing for, could unlock £140 million of private investment, creating around 400 jobs, whereas the £22 million mentioned before would unlock only £20 million and create only 100 jobs.

Whether it is £20 million or £70 million, there is no guarantee that the funding will continue. How do we and, more important, investors know that it is not just a one-off? The reality is that without this funding they will be forced to compete for contracts with long-established companies. It is like trying to force a start-up to compete with Google completely unaided.

Geothermal energy is another area that gets only a passing mention in the strategy. The strategy ignores the huge potential of and appetite for mine water geothermal, which is a way to tap into heat from water in abandoned mineshafts, using the past to power our future. The Coal Authority and local activists are doing great work on this front, but central Government funding is patchy and unco-ordinated. We have heard about the projects in Spain and the Netherlands, which have already taken research from Scotland—Midlothian, in fact, in 2003—and rolled it out into huge-scale geothermal projects.

My constituency of Midlothian, with its huge wealth of geothermal mine water potential, could be an energy powerhouse if the Government got their act together and supported a pilot or a large-scale trial. It is not just my constituency, though; across Scotland, mine water could deliver £333 million of economic growth and about 9,800 jobs, yet the strategy does nothing to unlock that potential. That reinforces the points made about projects that could move faster and be brought online very quickly.

For a far better model, look at Norway. Our Nordic neighbour relies on hydro and heat pumps, while exporting its oil and gas to neighbours. The combination makes it a far more resilient to geopolitical shocks, such as those we are currently suffering from. Scotland could and should follow suit, and would were it not for energy being reserved to this place. We have the skills. The heat pumps used in Drammen were made in Glasgow, for instance.

The UK is underdeveloped when it comes to district heating, relying on individuals to pick up the cost. Of course, that is intentional; it drives individuals into fuel poverty while making huge profits for the suppliers. This is why the strategy's commitment to £30 million of heat pump investment is money spent in the wrong place. It should be invested in large-scale district heating solutions. Instead, it will end up with consumers forking out once again.

I cannot pass over the scandal that sees Scotland facing the highest grid charges anywhere in Europe. Our grid still works on outdated assumptions that prioritise the construction of plants near large population centres. In the green energy age, it is rural communities that will generate our power—from the coasts of Orkney to the hills of Galloway. It is time that we overturn the current model.

We then come to nuclear. Where do I start? Nuclear build costs have trebled over a decade, while solar and wind costs have more than halved. No wonder Hinkley Point C is now nearly 50% over budget and running five years late. If we are serious about the “security” in “energy security”, we cannot ignore the radioactive elephant in the room. Nuclear waste still needs to be buried for hundreds of years; there is literally no other working solution. It is time for the Government—and Labour—to drop their nuclear obsession and come into line with the Scottish Government, who recognise the contribution that nuclear has made in the past, but oppose new nuclear stations while the current technology renders them slow to build and environmentally unsustainable.

Of course, the strategy works within the parameters of the Government's contracts for difference. When contracts are awarded based on big wallets rather than national interest, it is unsurprising that so many of Scotland's turbine manufacturing yards are struggling to stay in business despite their huge potential.

Energy efficiency has been ignored once again. Technology and methods that increase the efficiency of our energy use will reduce energy demand, which gives us better security should crisis hit. British homes lose heat up to three times faster than European homes. From the sick man of Europe, we are becoming the cold man of Europe, but instead of pushing for new builds to be insulated and energy efficient, we are stuck with retrofitting. Yet again, the mindset is to tinker around the edges. The Scottish Government spend a whopping four times per capita more on energy efficiency measures than the UK Government. Will the Minister commit to following suit?

I do not know whether the Scottish Government's opinions matter at times, though, given that they were not even consulted prior to the publication of the strategy—something they have been very critical of, given the major role that Scotland plays in meeting the UK's energy needs. It is clear that Westminster just cannot bring itself to overhaul the outdated status quo, even when a crisis demands it. For as long as Scotland remains part of the UK, we will be held back by its antiquated and unco-ordinated private energy systems. Scotland cannot afford this broken system any longer, so I look forward to next year, when we can have our own say.

3.35 pm

Dr Alan Whitehead (Southampton, Test) (Lab): We have had a comprehensive, well-informed and thoughtful discussion this afternoon, instituted by my hon. Friend the Member for Birkenhead (Mick Whitley), whom I congratulate on securing the debate. It is particularly prescient to have the debate right now, because, as right hon. and hon. Members know, we are expecting the imminent arrival of the energy security Bill, which will have to legislate for all the changes we need to implement

[Dr Alan Whitehead]

to make our system much more resilient, energy-efficient and, indeed, internationally secure. I look forward to seeing how many of the essential measures are in Bill. The Opposition intend to insert in the Bill as many of the things that are missing as possible, to make sure that we have a secure, forward-looking energy strategy for the future.

The content of the Bill will essentially be the recently published “British energy security strategy” paper. As I have said on previous occasions, I can describe it best by using the immortal words of Eric Morecambe, when he said he was

“playing all the right notes, but not necessarily in the right order.”

Members under the age of about 50 might not get that, but it is a very important indication of where the energy security strategy is.

I will discuss the notes that are being played and the order in which they are being played in a moment, but before I go any further, I would like to firmly shoot the canard that has been repeatedly raised by the right hon. Member for Wokingham (John Redwood), who has intervened in this debate and others to talk about our energy system as if it were vulnerable because of the fact that the renewables we produce are somehow intermittent, so we need something else to back them up and the something else clearly cannot be renewable. He suggests that the way we are going is therefore inappropriate for our energy security. In fact, at its absolute bottom line, our energy security is best served by moving completely to a series of renewable arrangements as quickly as we can, because that will give us complete security of energy supply, complete security of energy operation and, indeed, complete security of customer prices for the long-term future. At the moment, prices are going through the roof, particularly as a result of international gas prices and, as right hon. and hon. Members have said, the obscene invasion of Ukraine by Vladimir Putin. That ought to be our watchword as far as our energy security is concerned.

In addition, our energy security should be bolstered by energy that we do not use. We could have a much more secure energy system if we used much less energy than we do at the moment. As the hon. Members for Weston-super-Mare (John Penrose) and for Wantage (David Johnston) said, the key is a substantial programme of energy efficiency for homes and offices, which it is estimated could result in the use of 25% to 30% less energy. Imagine the improvements to our energy security that such a reduction in our long-term energy use would produce! That programme could be started in the very short term.

I refute the idea that to enhance our energy security, we must enhance our production of gas, oil and other things. As the hon. Member for Bath (Wera Hobhouse) said, our energy security is tied up with getting to net zero. Not succeeding in that would be a great source of energy insecurity. Whatever short-term improvements might be made in gas supply, the idea that we should turn on new oil and gas to enhance energy security does not stack up as part of our overall path.

So to the canard. It is untrue—simply untrue—that the intermittency of some of our renewables is fatal to our energy security because of the inability to run a

lights-on system, which is what we absolutely need. It is untrue because of our increasingly smart energy systems. Because of the way our current energy systems work, they waste a lot of renewable energy by constraining it. The introduction of batteries, inter-seasonal storage and the use of other existing storage such as pumped storage, which we have in substantial amounts, will back up the systems where production is intermittent. In addition, not all renewables are intermittent. Biomass and bioenergy with carbon capture and storage, which the Climate Change Committee is considering, would not be intermittent; nuclear is not intermittent. Nuclear is so unintermittent, actually, that it is not easily able to cope with the sort of system that we will have in the future, in the quantities that the Government are indicating.

One of the most important newer renewable technologies, which is not completely reliable over 24 hours but is completely predictable in terms of a number for the energy system, is tidal—both tidal range and tidal stream. Tidal power is completely predictable—the tide comes in, the tide goes out, and we know when it will happen. It is different in different parts of the country, so we can add different tidal elements in different parts of the country. It goes into the grid on a wholly reliable basis. One major criticism of the energy security strategy is that it does not take tidal technology much into account, which is a grave omission.

There are at least three wrong notes in the strategy: tidal; energy efficiency, which is it clear the Government are doing nothing much about, even though it is an urgent national priority to get energy efficiency measures seriously under way; and the reform of electricity market arrangements to create an electricity market that is fit for the sort of changes that we will undergo, particularly with renewables, which the hon. Member for Weston-super-Mare mentioned. REMA should be an absolute priority right now, but it appears that the Government are not taking it very seriously. They have one line, I think, in the energy security strategy, saying that they are consulting on REMA at some stage.

The sort of changes we must make are an absolute priority now—not least, as the hon. Member said, getting us off the gas standard as far as our energy prices are concerned. That can be done pretty quickly and would make an enormous difference to our energy prices and indeed our energy security. I am sure the hon. Member and I have different notions of how that might best be done, but I look forward to debating that when the energy security Bill is brought forward. If that is not in the Bill, I will try to put it there. I will be interested to hear what the Government have to say in response.

Generally, the energy security strategy contains many of the right notes, but they are being played in the wrong order. As Members have mentioned, we are still not taking onshore wind seriously, with substantial planning obstacles remaining. Unless we have the infrastructure in place, delivering 50 GW of offshore wind will remain a wish rather than a reality. We certainly must deliver hydrogen as soon as possible, but we still have not properly resolved the debate between blue and green hydrogen or on delivering green hydrogen in the best way for the future. Of course, we are also still a long way from getting a serious carbon capture and storage programme in operation. The hon. Member for Midlothian (Owen Thompson) failed to mention this

entirely, but moving the Acorn project down the pecking order of industrial clusters could deal a real body blow to carbon capture and storage.

There is range of things in the energy security strategy that could lead to an enormous increase in this country's energy security, but the strategy will probably not deliver because of what is omitted from its contents and because of the rather lackadaisical way in which the Government are pursuing a number of these imperatives through the strategy. My message to the Government is that they should include the notes they got wrong and play the notes they got right in the right order. If they do that, I think they will have a much better energy strategy. I look forward to debating how we can do that when the energy Bill comes before the House. Hopefully, we will end up with a much better energy security strategy as a result of getting that Bill into a good shape.

Geraint Davies (in the Chair): Talking of renewables and Eric Morecambe, I call on the Minister to "Bring Me Sunshine".

3.49 pm

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): Thank you, Mr Davies. I congratulate the hon. Member for Birkenhead (Mick Whitley) on securing this important debate. I do not have much time to respond, but to start I would like to briefly recap the context in which the British energy security strategy—the BESS, as I might call it—came about.

For years, of course, the UK has been dramatically reducing our dependence on fossil fuels and building up home-grown, low-carbon energy. Just 10 years ago, nearly half of our electricity came from coal—the most polluting fossil fuel. Now, that is down to under 2%. Our hugely successful offshore wind sector is the largest in Europe and second only to China in the world in terms of deployed volume. All those policies are the result of decisions made by this Government over the past 12 years. Russia's illegal war in Ukraine has given this work new impetus, as Putin's weaponisation of the global energy supply makes clear. Energy security is a matter of not only decarbonisation—as vital as that is—but national security. The UK is not dependent on Russian hydrocarbons, but the war's impact on the global market has been severe and affects us all.

Turning to the debate, the BESS sets out the steps we will take to generate more clean energy in the UK for the UK in the longer term to protect our national security, reduce our emissions, create new jobs for our people, revitalise industrial heartlands and drive down bills for consumers.

I will deal with a few points raised by the hon. Member for Birkenhead. He said the Government refuse to support new onshore wind. That is not the case. We will be consulting on developing partnerships with supportive communities that wish to host new onshore wind infrastructure in return for benefits, which could include lower energy bills. He talked about tidal energy, which cropped up in a few Members' contributions. Actually, this Government were the first to commit a dedicated pot—in contract for difference allocation round 4, which is taking place right now—of £20 million for tidal energy projects. If people have a specific tidal energy project they wish to show us, will they please get in contact with my Department? I have been shown a

number of tidal energy projects in recent times in areas near the constituency of the hon. Member for Birkenhead, such as Colwyn bay and Deeside.

The hon. Member talked about our so-called reliance on Russian oil and gas. No, less than 4% of our gas last year was imported from Russia. That will be down massively this year. We are phasing out Russian oil, which will not be more than about 10% of our oil by the end of the year. Russian coal will also be prevented by the end of the year. There is no dependence on Russian hydrocarbons in this country in the same way there is in many of our European neighbours. The hon. Member also attacked the new round of licences, but he will know that the new round later this year will take into account the climate compatibility checkpoint, which we have been consulting on, and we will release the results of that consultation in due course.

Remarkably, the hon. Member then said there will be no forgiveness for this Government because of our record on renewables and energy efficiency. I found that extraordinary. On energy efficiency, we have gone from 14% of properties in bands A to C being energy-efficient in 2010 to 46%. That still means there is work to be done; 54% do not yet meet the standards we would like them to. The hon. Member says there will be no forgiveness for this Government, but I do not know what he thinks the last Government will be given for their performance. Our figure is 46%, but we lifted it from 14% when we took power. Similarly, on renewables, 43% of our electricity is now generated through renewables. That is a very good figure, but it was 7% when we took power. If there is no forgiveness for a Government that achieve 43% through renewables, what hope is there for a Government that only produced 7%?

My hon. Friend the Member for Wantage (David Johnston) made an excellent speech on, again, the importance of energy efficiency. We are spending £6.6 billion in this Parliament to ensure we get more energy-efficient homes, and £450 million has been committed to the boiler upgrade scheme. My hon. Friend has been a consistent and dedicated promoter of the Local Electricity Bill. He is right that there is good consensus on this. The Government support local electricity generation. I have also met the campaign groups. There are funds available, such as the levelling-up fund, which is used quite frequently. There is the example of a local community energy scheme in Glastonbury, which has benefited from that levelling-up fund. I have reintroduced the community energy contact group to ensure we are talking to the sector. The group had its first meeting on 10 June.

The hon. Member for Bath (Wera Hobhouse) made the good point that there is plenty of wind in the UK, as we benefit from all the waters around us. We have 15 times the waters that Germany does, and UK waters are two and a half times the land mass of Germany. None the less, my right hon. Friend the Member for Wokingham (John Redwood) made a good point about the intermittency of wind. Of course, we can get greater diversity if we have more seas involved, but that will not entirely obscure the issue of intermittency. That is why he is right that we need nuclear as well. I am forever hopeful that the Liberal Democrats will change their ideological anti-nuclear stance, which they have had at least since they were in coalition with us. In coalition, they were warming to the idea of nuclear power. Unfortunately, that has been lost.

[Greg Hands]

My hon. Friend the Member for Weston-super-Mare (John Penrose) made an excellent speech with some probing points. REMA is referenced in the British energy security strategy, and work is moving at pace. How can we get from a low-capital cost, high-generation cost energy system that is not particularly intermittent to a high-capital cost, low-generation cost system with intermittency? He is right to raise the point about the implications for our energy system going way beyond generation targets.

On green levies, as we set out in the heat and buildings strategy and in the net zero strategy, we will launch a fairness and affordability call for evidence on options for energy levies and obligations to help to rebalance electricity and gas prices, and to support green choices, with a view to making a decision later this year.

The price cap will remain in place until at least the end of 2022 to protect millions of customers. My hon. Friend the Member for Weston-super-Mare will keep an eye out for the energy security Bill to see how we might take that further. As he will know, this year we are delivering a total of £37 billion in cost of living support to customers, including a £400 non-repayable grant

The speech from the hon. Member for Bootle (Peter Dowd) was well put together but fundamentally anti-free market. I can see why the right hon. Member for Islington North (Jeremy Corbyn) decided that he would be a suitable shadow Chief Secretary to the Treasury—to not make sure that control was kept over the public finances. I have already addressed the points about community energy.

My right hon. Friend the Member for Wokingham made a strong and probing speech, as he always does on energy matters. He is right that it is our patriotic duty to ensure not only that we get off Russian gas, but that our European friends and neighbours do as well. That is why National Grid tells me that this summer, the UK is playing a major role in filling European energy storage. About 15% is coming either from the UK or via the UK, using our liquified natural gas capabilities.

My right hon. Friend made a strong point about intermittency. Nuclear is the answer; it is the only proven way for reliable, non-intermittent electricity to be produced at scale. He is also right about hydrogen, but he is not quite right to say that we are not bringing forward more fields. Licensed fields that have been

consented and have come on stream include Blyth, Elgood, Tolmount, South Hook, and Alwyn East—I can give him a longer list. Other fields are coming on stream.

The hon. Member for Strangford (Jim Shannon) made important points. I will have to write to him about the Strangford tidal scheme. He is definitely right to say that nuclear, and Northern Ireland, are part of it. Gordon Lyons and I meet regularly, including to discuss hydrogen.

The SNP spokesperson, the hon. Member for Midlothian (Owen Thompson), gave a familiar list of complaints. He said that he wants tidal schemes. As I mentioned, we have funded £20 million of dedicated support. He wants ringfenced and guaranteed money every year. Well, that is a typical SNP position. If there were a separate Scotland running a 9% budget deficit, which is what it would be doing, I do not think that ringfenced and guaranteed money would be available for anything—the hon. Gentleman perhaps needs to go back and have a look at the finances in the event of separation. Grid charges are a matter of Ofgem, but it is worth recognising that Scottish consumers benefit from lower charges, which is important. I cannot understand, in the light of Scotland's incredible nuclear tradition, why the hon. Gentleman is so opposed to nuclear.

The hon. Member for Southampton, Test (Dr Whitehead) is right about constraints. That is why we are looking at hydrogen batteries and storage. He is quite right about biomass, and on blue and green hydrogen we are doing both. I had better leave some time for the hon. Member for Birkenhead to reply.

3.59 pm

Mick Whitley: I am grateful to all Members for their powerful contributions, including the Minister, even though he likes to have a little pop now and again—we take that with a pinch of salt.

I will take the Minister up on what he said about major tidal projects, and I will write to him about them. I thank him for taking the time to participate in the debate, but I warn him once again that he must not let the Government falter in their ambition to deliver a greener and more secure energy system that serves the interest of many, not just the privileged few.

Question put and agreed to.

Resolved,

That this House has considered the British energy security strategy.

Army Size

4 pm

Geraint Davies (in the Chair): Barry Sheerman will move the motion, and I will then call the Minister to respond. There will not be an opportunity for the Member in charge to wind up as in the last debate, as is the convention.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I beg to move,

That this House has considered the size of the British Army.

It is a great pleasure to serve under your chairmanship, Mr Davies. The subject of this debate is more relevant this week than many others. After the NATO summit in Madrid, at which the Secretary-General called for a “fundamental shift” in the alliance’s deterrence and defence, there is an increasing realisation that British defence policy needs some urgent updating. When Russia began its bloody and brutal invasion of Ukraine, the world changed. Not only is it the largest armed conflict since world war two, but the rules and norms that govern war are being torn up daily by the Kremlin. Today, all our thoughts and prayers are with the families of those killed and injured in the barbaric attack on the supermarket in Kremenchuk, and with the people of Ukraine as they face even more hostilities.

What should UK defence policy look like in the face of this new geopolitical reality? The answer is an approach that reflects the new world we live in, where alongside our friends in Europe, we take more responsibility for our own defence and that of our allies across the world. There is plenty in the integrated review and the defence Command Paper that I agree with: clearly, the Army must modernise, and the £24 billion that will be spent on emerging technology will help us tackle new types of threats. However, the lesson from Russia’s invasion is that we cannot continue to slim down the size of our Army. We must be clear-headed and steely-eyed when it comes to assessing the threat we face from Vladimir Putin. That means a renewed commitment to our conventional military capability and an end to cuts.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): I congratulate the hon. Gentleman on securing the debate. I agree with much of what he has said and, I am sure, what he is about to say. Does he agree that one thing we are going to have to look at much more seriously now is putting more boots on the ground in other NATO countries, particularly those in the eastern parts of Europe that face towards Russia?

Mr Sheerman: I totally agree. I got into some trouble in certain quarters when I said that early on in the conflict; it was not something people wanted to hear at the time.

The Minister will know that I have consistently challenged the Government on this issue—I have form. Over the past 10 years, I have warned against cuts to the size of the Army. In 2013, I said that cuts to capacity would seriously restrict the ability of our country to defend itself. At the time, with the number of armed personnel at around 140,000, I felt as though we were retreating from being a significant player in the western alliance. In 2016, that number went down to 100,000, and there I was in the House, warning the Government that their course of action simply was not the right one. We now face the grim reality of soon having a limited capacity

of 72,000 armed personnel. The fact of the matter is that those numbers are nowhere near good enough for a key player in NATO. As the Minister knows, I usually engage in constructive criticism, but it is crystal clear that the Government have their heads in the sand on this issue—or more specifically, the Prime Minister does.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on securing this debate. He is absolutely right: as of January 2021, the RAF figures were down by 6%, and the Army and Royal Navy figures by 5%, so we clearly have a problem. We also have increasing demands on our NATO commitments across Europe and elsewhere. We now have Sweden and Finland coming into NATO, which will strengthen it. Does the hon. Gentleman agree that one way of increasing the numbers might be through the Territorial Army and the reserves? I have always campaigned for extra soldiers to be set aside for Northern Ireland, where recruitment is high, but we have not seen those numbers yet.

Mr Sheerman: My old friend nearly always intervenes on my speeches—on everyone’s speeches—in a very constructive way. I agree with much of what he says, and I will come to that specific point on recruitment in a moment.

The Prime Minister is a great fan of Churchill. In fact, I picked up his book on Churchill for £1 the other day—it was quite a bargain. Then, it was shown on television, and I was asked why I had it on my bookshelf. It is quite an interesting book actually. The Prime Minister is erecting a Churchillian façade, but the truth is that he has found himself at odds with NATO by reneging on his manifesto commitment to keep defence spending at 0.5% above inflation. He has given up on that, which is not acceptable and puts us all at risk.

The Minister knows that I find the Secretary of State to be a breath of fresh air. I like him, I work with him and I think his was a very good appointment. He is in the wrong party—never mind—but we agree on many fundamental issues, such as wanting to see the Prime Minister reform his approach to defence spending. The Secretary of State has rightly been calling for increases in personnel numbers. However, that raises the question: why was the defence Command Paper so quick to make those cuts in the first place?

Giles Watling (Clacton) (Con): I congratulate and commend the hon. Gentleman on securing this very important debate. Does he not agree that the very fact that we have been shrinking our armed forces for years has encouraged the likes of Vladimir Putin? Although I welcome the increase in spending to 2.5%, does he, like me, question the 2030 timescale? Is it fast enough? It is a long way off and others might be tempted or encouraged to act in the meantime.

Mr Sheerman: Mr Davies, harmony is breaking out in this debate. I obviously do agree with what the hon. Gentleman says.

The cuts will create gaps that will not be filled for years. New procurement can take decades to come to fruition, which leaves us vulnerable to any future escalation with Russia, China or other parts of the world. I am with our Chief of the General Staff, who reminded us: “you can’t cyber your way across a river.”

It is crucial that we maintain the equipment that guarantees our ability to defend ourselves and our allies.

[Mr Sheerman]

I represent Huddersfield, where we had the David Brown engineering company, which for years made the gears for the Challenger tanks and many of our marine craft, so we have been a very proud player in providing the right kind of equipment for our armed forces. Can the Minister please tell us what plans he has to fill the gap when he cuts the Challenger battle tanks and Warrior infantry vehicles, or when troop numbers are reduced to 72,000 in 2025? I hope he can give us an answer.

Throughout my time in Parliament I have been devoted to evidence-based policy. As you will know, Mr Davies, I was here last week I with an air quality monitor on me, and this room is not up to World Health Organisation standards for air quality—I tell everyone that that is the case. However, the evidence from the Defence Committee is clear: we are still years away from being able to field a war-fighting division, which itself would be hopelessly under-equipped. If the British Army were to fight Russia, our men and women would be forced to go into battle in obsolescent armoured vehicles. Those are not my words; they are the combined opinion of the Defence Committee.

The Government are cutting our Army on two fronts: first, by reducing numbers and equipment, and secondly, by completely failing to procure the military apparatus we so desperately need. The latter is one of the most important points. Over the past decade, we have seen a string of procurement disasters. Millions of pounds have been wasted, with an embarrassing lack of results. The Ministry of Defence must learn from its mistakes and implement new processes for procurement, so that not a single penny is wasted.

I want to see increased spending on defence, but the public must be able to trust the Government to extract value for money. I do not deny or step back from this point: if we want to have more defence, someone has to pay for it, whether by taxation or cuts in other Departments or another way. The fact of the matter is, if the public trust us to spend the money wisely, it would be a lot easier to increase taxation.

The Government insist on cutting our current capabilities without procuring replacements. This is a very worrying approach, with likely a very poor outcome. Lord Richards, a former defence chief, said that “mass still matters” and that cuts to personnel are

“an asymmetric attraction to one’s opponents”.

Dan Jarvis (Barnsley Central) (Lab): My hon. Friend is making an excellent speech. He has been a long champion of our armed forces. The analysis we sometimes get from Government, and which we may hear from the Minister today, is that when it comes to the size and structure of our armed forces, it is determined by threat. The problem is, as my hon. Friend will know very well, that we do not know what the threat is going to be next week, next month or next year. We certainly do not know what it is going to be in three, five or 10 years’ time. Given that that is the state of affairs, will my hon. Friend join me in urging caution at reducing the number of people who serve in our armed forces? They are our insurance policy. We do not know what is around the corner. Therefore, we should be very cautious about reducing numbers, particularly at this point in time.

Mr Sheerman: My hon. Friend will know how much I agree with that. In every town and city—in Wales, Yorkshire and all over the country—we used to have recruitment centres where people learned how to join the Army and got information and advice. That has all been abolished. I would love to see them come back. They offered a very good career and fine skills training to whole generations of people.

Our allies agree. Former chairman of the joint chiefs of staff Admiral Mullen has said that we risk not being able to contribute on the world stage if we continue to cut troop numbers. Under current plans, we would not have been able to act decisively in the Falkland Islands nor have the strength to stop the genocide in Rwanda. It is imperative that we build up the capacity to act in defence. There is no doubt that the United States is willing to be the world’s police force. The United States is tilting towards Asia, so European nations like ours must take responsibility for their own defence. As I have said, technological advance is welcome, but it is not a panacea. Mass still matters and cutting troops is taking the wrong action at the wrong time. I remember the days of recruitment centres. Let us get back to recruiting more full-time soldiers.

Russia’s invasion of Ukraine has rightly united this House. It has brought us all together. It has woken us up to the real threats to peace in Europe. It has shown this place at its best. We have worked together and agreed on Russian action. It is now time to unite behind a new approach to defence, where we stop the cutbacks and invest in our ability to defend ourselves and allies. This is Britain’s 1937 moment. The west faces an uncertain future, and our defence policy should reflect this.

4.14 pm

The Minister for Defence People and Veterans (Leo Docherty): I am honoured to respond to the hon. Member for Huddersfield (Mr Sheerman) in what is a very important debate. I acknowledge his long-standing track record in raising defence issues; I know he feels passionately and sincerely about these matters.

Of course, the Government acknowledge the urgent need to ensure that our armed forces are up to the challenges they face. The hon. Gentleman mentioned the defence Command Paper, which I am sure everyone present will know well. Those who read and reflect on its contents will acknowledge that the threat of Russia is front and centre when we identify the risks this nation faces, with page 5 noting:

“Russia continues to pose the greatest nuclear, conventional military and sub-threshold threat to European security.”

Our response to that threat in the context of our membership of NATO drives forward the transformation plan set out in the Command Paper, which is manifested in the Future Soldier programme. We should acknowledge the fact that the Russian threat, prior to this February, was seen as being a centrally important driving factor in the urgent need for us to update and modernise our armed forces and make them more deployable, lethal and agile.

Let us reflect on what Future Soldier actually means. Thanks to the £24 billion increase from the multi-year settlement, which runs until 2024, we have the resources to fund an Army of 100,000, combining regulars and reserves; we should also mention the civil servants and

private sector partners. We have to understand that in the context of both lethality and mass. Clearly, mass is important. However, what we have seen in recent years—particularly in February’s outrageous and illegal Russian invasion of Ukraine—is the fact that, while mass matters, it matters less than lethality, deployability and sustainability. We were heading towards that lesson in the Command Paper, but our experience since February has made that even more urgent. That is something of which we are taking great note.

Of course, the reforms bound up in Future Soldier will see the British Army reformed into brigade combat teams, making them more self-sufficient as tactical units and better-integrated with digital communications. For once, all our soldiers will be able to speak to each other right across platforms in all five domains. In practical terms, that means that artillery, unmanned aerial vehicles and systems, air defence, engineers, signals, logistics and infantry will all be connected and combined in the traditional doctrinal sense. They will also be much more potent in the modern sense of being able to speak to each other and bring effect to bear in a much faster and more agile way. That is the output of lethality: bringing military power to bear more quickly and in a more effectively combined arms manner.

I should also mention that with the new laydown of infantry divisions, we have our Ranger battalions, which will be a forced multiplier when it comes to working with allies. In concert with that doctrinal response of wanting to be better-formed, better-connected and more potent, the equipment platforms are a critical component. It is important to note that we have invested more than £43 billion in the Army’s equipment plan over the next decade—£8.6 billion more than was originally planned in the integrated review. That will bring state-of-the-art equipment.

The hon. Member for Huddersfield asked about Challenger tanks and so on. The new array of platforms includes Boxers, the upgraded Challenger, more mobile deep fires capability and ISTAR assets—intelligence, surveillance, target acquisition and reconnaissance. That range of better military equipment, driven by the £43 billion equipment plan, is very important. As part of that, we will seek to learn with great urgency the lessons from Ukraine.

The challenge is to be more doctrinally capable, and we had some of that doctrine in the defence Command Paper and the Future Soldier plan. We need to be better equipped and, importantly, better integrated with allies, because we have to see our defence response in the collective context of our membership of NATO which, I am sure we all agree, has been the cornerstone of our defence for many years.

Our sustained forward presence with allies is really important. We should acknowledge that our presence in Estonia on Operation Cabrit has been hugely important, and we will increase that to ensure that the total presence is some 3,000 people, including a one-star headquarters. Working with allies will allow us to be much more on the front foot. As I said, it is also about ensuring that allied countries are more capable, which is why our new range of battalions, and the security force assistance

battalions, will seek to build capacity with allied partners. We saw that par excellence with the amazing strategic outcome of a very tactical weapon: the impact that the next-generation light anti-tank weapons had on the Ukrainians’ ability to defend themselves from invasion. Delivered by this country, with training provided by UK personnel, it was a remarkable example of the force multiplier and the amazing capacity of a tactical weapon to have a strategic effect when utilised in the right manner. That is a really important point to make.

Since the excellent defence Command Paper and the plans for Future Soldier were rolled out, and following Russia’s invasion of Ukraine in February, we will continually review our posture, just like any other organisation. This time last week, the Chief of the General Staff made it clear in his speech to the land warfare conference, which was followed by a speech from the Defence Secretary, that we need to mobilise in order to ensure that we accelerate all our plans. They are very good and very sound, but we must now ask how we can accelerate everything that we have been doing in order to mobilise all our assets to meet the urgent threat. Op Mobilise will allow us to ensure that no gaps are left and that any wasteful activity, or anything that distracts from the main effort, is attended to.

The leadership shown by the Defence Secretary and the Chief of the General Staff is already having a galvanising effect on the defence community and the British Army in meeting the threat. We have an honourable heritage in helping Ukrainians—not just with the delivery of lethal aid, but with the magnificent Operation Orbital, which has run since 2014, training some 20,000 Ukrainian soldiers. The fact that we now have Ukrainian partners and others improving their warfighting skills on Salisbury plain is a really good sign of the energetic focus of the entire British military in empowering our Ukrainian allies to better respond to the threat that they face.

Op Mobilise will boost readiness. It will speed up all the technological advances that we seek to make as part of Future Soldier, and it will reconsider doctrines. The CGS was very clear when he said:

“If we judge that revised structures will make the Army better prepared to fight in Europe”,

we will look again. The context of his remarks was commendable, because he started his speech by quoting Brigadier Bernard Montgomery, who said in the desert in 1942 that if the only reason we do something is because we have been doing it for a long time, perhaps we should do something else.

Op Mobilise, and a highly energetic appetite for focusing on the threat, will accelerate our plans. I will resist the temptation to speculate about levels of investment, because I do not think it would be useful for a humble junior Minister to speculate about the exact year in which more defence investment will be made by the Government, but both the Prime Minister and the Defence Secretary have made it very clear that more is required and more will come. At the point at which that is delivered, I think they will have the overwhelming support of the British public and our international allies, and we should have that confidence too.

Question put and agreed to.

Bereavement Charities

4.29 pm

Selaine Saxby (North Devon) (Con): I beg to move,
That this House has considered funding for bereavement charities.

It is a pleasure to serve under your chairmanship, Mr Davies. At the end of March 2020, just as we entered the first lockdown, I was contacted by a constituent, Michaela Willis. Today, I want to share her journey.

In the late 1990s, Michaela founded and was chief executive officer of the highly regarded National Bereavement Partnership charity. It was set up to give support to those affected by the issues that arose from the Bristol Royal Infirmary public inquiry and the infamous retained organs scandal. She had lost a baby there herself.

Michaela was chair of the Bristol Heart Children's Action Group, and chair of the National Committee Relating to Organ Retention. Her charity served both the public and health professionals by providing a helpline surrounding sudden and traumatic death, especially when there were complicated circumstances.

Michaela went on to be a lecturer in death bereavement and human tissue studies, obtained an MSc in healthcare ethics from the University of Bristol, undertook an audit of 36 hospitals and five universities and wrote the bereavement standards for the Irish Government. She was a member of the board for the Retained Organs Commission and the Human Tissue Authority and sat on the council of Action against Medical Accidents. She was also on the board of North Devon primary care trust for six years. In 2002, Michaela was awarded an MBE for her services in this area.

Michaela contacted me to say she was thinking of coming out of retirement as so many people she knew in hospitals around the country had been in contact about what they were dealing with as the pandemic took hold. We are not good at talking about death in this country, but Michaela is an expert. It was clear to both of us that bereavement support was going to be needed even more than normal as we headed into the first wave of the pandemic.

Each year in England around 500,000 people die, leaving bereaved families and friends to deal with the aftermath of loss. My grandmother died on Friday. At 98, it was perhaps not unexpected, but the hole it leaves and the shock for my mother, uncle and our extended family is palpable. As a family, we will muddle through. Most people are able to use their inner resources, combined with support from family and friends, but others, particularly if the death is shocking or living circumstances are difficult, will need the support of trained bereavement professionals to find a way through their loss.

Around 30% of closely bereaved people need organised opportunities to reflect on their grief and get support. A further 10% of people struggle intensively with complex or prolonged grief, and need specialist grief or mental health interventions. Prior to the pandemic, between 20% and 30% of bereaved adults were not able to get the support they needed. As we headed into that first wave, we saw a scared population, with a growing number unable to say goodbye to their loved ones, and a medical profession seeing overwhelming levels of death every day in so many wards around the country.

Michaela clearly had the know-how to do this, and do this she did. I did what I could, not least getting Openreach to kindly lay 5 km of fibre so she could run a helpline from the depths of North Devon. She pressed on throughout the period. I remember discussing with the Cabinet Office—some others here joined those morning calls—and explaining to the Minister that we were going to set this up from the depths of Devon. We were looking at unprecedented levels of death, loss, grief and associated psychological dysfunction.

In the last two years, more than 30,000 people have contacted the National Bereavement Partnership. Over those two years, the charity has witnessed individuals experiencing grief at many different stages, with so many exhibiting severe and varied emotional turmoil. It can be extremely frightening, and can have a detrimental and damaging effect on those who are in desperate need of support, but cannot access it. Indeed, the distinct lack of access to services was the very reason for the National Bereavement Partnership's inception. As Michaela says:

"We have by far outstripped our own expectation of the demand for the services the charity offers, with contacts to the helpline ever growing with people who need the right kind of support along with talking space and talking therapies.

Access to funding has become increasingly competitive over recent years, with bereavement secondary to charities supporting life-saving treatments and heart-wrenching causes. In the 25 years I have worked in the sector, many will have heard me say 'death is not sexy' (for want of a better phrase, but sadly it is fitting)... Media also plays a significant role in impacting on where donors place their money and supporting a charity with either a feel-good story, or a brutally heart-wrenching story, is frequently more favourable to bereavement."

There is an increasing gulf between the National Bereavement Partnership's funding capacity and its increase in contacts—people who are desperate for help. That charity has had to pause its waiting list for counselling, as it cannot meet demand. It saddens all of us immensely that that charity is not able to help and support people at the early stages of their struggle before their ability to cope becomes more diminished, causing many other issues in their lives and with an inevitable knock-on impact on the NHS. The past two years has shown the National Bereavement Partnership that if it can assist at an early stage and talk coping mechanisms and strategy, that grief journey can be very different.

The covid-19 pandemic and its continuing legacy has brought unprecedented levels of grief and psychological dysfunction to those suffering a loss. There was grief pre-pandemic, and there are many unique pandemic and aftermath grief risk factors including dysfunctional grief, symptoms of post-traumatic stress disorder, general psychiatric distress, disrupted meaning, and functional impairment in treatment seeking.

Those factors are coupled with many living losses and contending with varying levels of emotional wellbeing and mental health, and the coping strategies that people turn to in order to get by are truly alarming. They include alcohol, antidepressants, antipsychotics, worsening mental health including self-harm, risky lifestyles, suicidal ideation, and gambling. The National Bereavement Partnership has taken more than 30,000 calls and delivered over 80,000 hours of helpline services and over 10,000 hours of counselling. However, demand continues to outstrip the current supply.

The service provided by the National Bereavement Partnership is more personal and proactive, enabling reduced numbers to free up valuable NHS time, and is therefore dramatically more cost-effective. It describes many callers as having evidenced PTSD symptoms, psychiatric distress and functional impairment. A smaller, but still concerning, percentage have reported clinically significant symptoms of dysfunctional grief. It is imperative that access to talking therapies is available. The counsellors at the National Bereavement Partnership strive to address the breadth of psychiatric distress in those bereaved by a covid-19 death and its aftermath, and hone their skills in promoting meaning making in the wake of the trauma and loss generated by bereavement during the pandemic.

Living losses have dramatically compounded grief, and in some cases have taken on a life of their own. People feel bereft by significant losses in their life, including the loss of a job, furlough, the loss of their way of life, the loss of a home, debt, the loss of relationships, or just the loss of normality as they once knew it. Now, substantive increases in the cost of living are creating changes that are increasing anxiety for people.

The National Bereavement Partnership has described receiving an abundance of calls from those who have lost loved ones by suicide, and those people's struggle at being left behind. Sadly, that charity also receives more calls than it would like from people contemplating suicide because of personal loss. Its staff work with any support they have and look to find additional support. Those who suffered losses during covid times, who missed routine treatments, or who were affected by a sudden and traumatic death also have complications on their journey, as the expected passage of such an event was not as it should be and services were more skeleton than normal.

The National Bereavement Partnership says that it was in a position to provide 105 hours of helpline service a week and 12 sessions of counselling to heavily triaged callers who were in need, but, as a victim of its own success, it is having to signpost many callers on to a waiting list or to other charities, as for several reasons, it is unable to keep a sustainable funding flow. The callers who that charity puts on a waiting list are those who its staff feel are the most able to wait, or those who they can refer to other services. However, those services are already full, and people end up on a never-ending merry-go-round of being passed around. Preventing such a merry-go-round was the very reason the charity set itself up in the first place. However, due to the lack of funding it is currently experiencing, the National Bereavement Partnership's helpline output has also had to be reduced. It could instantly lift back up to full capacity at a moment's notice—all of its team members are on stand-by. Voluntary support is invaluable, but not sustainable for optimum service delivery.

The charity feels that it has been let down by grant funders, who had promised significant funds, which were then diverted to other worthy causes, notably Ukraine. The sadness of that is that the charity has again witnessed a spike in contacts due to the impact that the war is having on people, yet it is struggling to cope. The charity and I believe that it has proven that it excels at service delivery when sufficient funds are in place. The service is well received and has had tremendous

feedback. It prevents many people from having to use the NHS, prevents a deterioration in mental health and, in some cases, saves lives.

Sustainability has been problematic. The charity feels that its cause is not feelgood, and it finds that hard to sell to potential funders. It is also important to recognise at this point how many charities struggled to raise funds through the pandemic: the circumstances were difficult for fundraising. The partnership is a new charity, set up in the heart of the pandemic, so some of the natural fundraising streams have not been available to it. Furthermore, after going to great lengths, the charity found some funders that have not delivered, which caused additional friction in service delivery. It received governmental support in the past, enabling it to deliver an optimum service for a time, but the funding was short-lived. Not continuing it was short-sighted because when the service is sustainable, it eases the NHS, stopping more people from having to enter our valuable health system and giving independent support to people who call and need it.

The charity feels that, to continue to do its work and to deal with the increasing demand on its service in a world where access to funding is stark, it needs to find financial support now—before effective services are lost, increasing pressure on other already overstretched services, in particular the NHS. I have also been overwhelmed by the number of other bereavement groups and charities to have contacted me ahead of the debate to highlight identical issues elsewhere in the sector.

The charity will continue to seek funding from as many areas as it can, and I hope that anyone listening to the debate and feeling like making a donation will be able to, and will work with the charity to see what else can be done to support it. It launched with speed and yet, in a matter of months, became the key player in the sector, given the complete service it offers. Ultimately, good bereavement support leads to good mental health and wellbeing in a world that is crippled by losses. Rather than being ignored, that should be embraced.

The charity's financial requirement to meet the demand of the service—all it needs per month—is £20,000, with an additional £10,000 of expenditure each month targeted at counselling. That is all. Some numbers we talk about in this place amount to billions, but this is really not that much. However, without support from somewhere, this vital charity will not be able to continue. I applied for the debate to highlight the issues for the charity that, in a tiny way, I helped to set up in that first lockdown. It was not really for the people of my constituency, because our pandemic was smaller than in many other parts of the country, but from the depths of North Devon one woman reached out across the country. Other bereavement charities have also contacted me to highlight the variance in their funding and the concern that integrated care boards will not give bereavement support the priority that it rightly deserves and needs.

The NHS needs a senior lead for bereavement. The issues that stem from grief, if left unsupported, cost the Treasury nearly £8 billion a year through reduced tax revenues, from a cost to the UK economy of £23 billion a year. This week, Michaela is the joint author of a paper in the *British Journal of Guidance and Counselling*, which details that there have been more than 6 million deaths globally from covid-19, including nearly 175,000 here in the UK. Each death has been estimated to affect

[Selaine Saxby]

an average of nine family members. We know our mental health has been damaged by the pandemic, and those who lost loved ones—and we with them—must ensure the grief and distress they and we have unfortunately experienced.

We must also ensure that that grief does not lead to another pandemic of highly distressed mourners. We must find a way to fund such vital services more effectively, to ensure that the knowledge and experience of someone like Michaela can benefit those who so need it.

4.45 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for North Devon (Selaine Saxby) on bringing the debate forward. The topic is something that I deal with nearly every day—bereavement charities, if not their funding. We always see the funding; we do not always see the charitable work that they do, but we see the end results. The hon. Lady outlined clearly and helpfully the importance of the funding.

In our own constituencies we have all had direct contact with bereavement charities. These last two and a bit years, where death has been much more apparent to us all, have been difficult. Across this great United Kingdom of Great Britain and Northern Ireland, 160,000 people have died due to covid-19. Just over 4,000 of them were in Northern Ireland. I have worked with some of the bereavement charities that do such fantastic work.

This is by no means an easy topic. There are often no words to describe the pain of losing a loved one. As elected representatives, we may deal with that more than most, because people come to us with their issues. We feel the pain of those who have lost loved ones. It is something that we will all experience at some time in our life. There is no rule book when it comes to coping with loss. There are no parameters, rules or ways we can follow. The one thing we always need is support from family and friends and from our elected representatives, which the hon. Member for North Devon does in spades. We are fortunate in the United Kingdom to have a long list of charities that work tirelessly to provide support for the bereaved, so it is great to encourage them all and to look to our Minister to see how we can ensure they continue their work and do it better, as the hon. Lady said.

When death comes, more often than not it is the Church—the minister, pastor or priest—who comes to offer support, and family gather round. The hon. Lady referred to the rise in suicides across the United Kingdom, which was on my mind, too. We had a spate of them in our constituency and it was very hard, because they were mostly young people. The hurt, pain and loss was perhaps greater because they were young—not that it should be any more of less for anyone, but when young life is lost, it has a big effect.

As we know too well, the covid-19 pandemic caused many people, old and young, to lose their lives. There has been an immense feeling of loss since the beginning—that resonates with us all. Members will recall only too well that I lost my mother-in-law, but I got great reassurance from my family and our local church. That does not take away the pain of the loss and the hurt, even if I know my mother-in-law is in heaven. It is fair to say that everyone copes differently. We all have different ways of responding and dealing with things.

I want to praise the work of NHS Charities Together, who have allocated £125 million to a range of projects that aim to support NHS staff, volunteers and patients who are coping with bereavement. All those wonderful people have done incredible things. The shadow Minister, the hon. Member for Tooting (Dr Allin-Khan), is one of those NHS staff, and we thank her for her contribution, as well as the hon. Member for North Devon, who spends a few days a week working in this area. We all appreciate it.

NHS staff are among those mourning the loss of loved ones during the pandemic. The personal grief of many of them has been made all the more complex by isolation from family and friends while working in high-pressure environments during covid-19. King's College Hospital is among those that have launched a bereavement service for NHS workers, recognising the pain, soreness and hurt among staff members and responding positively. The service also offers free telephone and face-to-face support for the relatives, partners and friends of any patient who died in the trust's hospitals during covid-19. That is another example of people starting things that were not there before to respond and to help.

Back home, each social care trust has publicly available bereavement services. Charities such as Cruse Bereavement Care—a group with which I work regularly, as I do with Marie Curie, the Samaritans and the Compassionate Friends—have proven instrumental in providing support. Naming them all, as I have done those four, is all well and good, but we must ensure that they can carry out their services, which we may rely on one day. It is our duty to ensure that those charities are financially stable so that they can. The hon. Member for North Devon is right to bring the debate, and we look to the Minister for a response.

The stats state that, on average, 26% of people want to talk about their grief but do not know how to, or they talk to a professional. Some people out there have never been able to cope, and I believe that we must do something for them. The support is out there, and there is no stigma around it. Bereavement will not go away, but to prevent further hurt, mental-health deterioration, self-harm or even suicide, which the hon. Lady referred to, we must ensure additional funding for bereavement organisations so that people have access to the help that they need.

I call on the Government and the Minister to consider the funding of bereavement and mental health strategies. I know that the Government have committed a substantial amount of money to mental health, which I welcome. Could some of that money be made available for bereavement care? If so, we might answer the hon. Lady's question by finding a way to help those returning to work after a bereavement with readily accessible schemes across the whole of the United Kingdom.

We all have to face bereavement someday. We will face it ourselves; we will face it for those close to us; we may face it multiple times. Bereavement charities are central to the healing process. The funding and strategy to respond are therefore critical, and that is why the debate is so vital. I congratulate the hon. Lady on securing it, and I look forward to the other contributions, especially that of the Minister.

4.52 pm

Steven Bonnar (Coatbridge, Chryston and Bellshill) (SNP): It is a pleasure to see you in the Chair, Mr Davies. I thank the hon. Member for North Devon (Selaine Saxby) for bringing forward such a vital debate. Unfortunately, its topic has been of much greater importance over the last couple of years.

The death of a loved one is a pain that haunts us all; for many, it can have a deeply profound impact. We must recognise that covid-19 has added urgency to our understanding of grief and the importance of bereavement support. As we have heard, such support can take a number of different forms—from formal methods of support, such as prescription drugs and counselling, to informal methods, including the advice of family and friends on managing grief. Everyone experiences grief differently and it is not a linear process, so support needs to differ from person to person and from case to case, and it may change over time.

Sue Ryder's recent research, "A better route through grief", found that 70% of people in the UK could not access the support that they would have liked; 63% accessed informal support; and only 34% were assessed for some type of formal support. Almost one in five people said that the barriers that prevented them from accessing formal support were a lack of culturally relevant services, and a lack of services in the recipient's language. I am sure that everybody on all sides of the House would agree that we all have a duty of care towards our constituents. Those statistics are simply not to be borne. No one should be unable to access support because of their culture or language.

I thank the hon. Lady for setting out the fantastic initiative and expertise of her constituent Michaela, who is clearly a formidable campaigner. The hon. Member for Strangford (Jim Shannon) spoke with his usual knowledge and with the compassion that he is so well known for across this place. He spoke about how important funding is, particularly given the last couple of years. He also spoke about the loss that he suffered in his part of the world due to the pandemic; today we remember everyone lost to that horrible virus.

The Scottish Government are leading in this area, with a mental health transition and recovery plan that recognises the importance of ensuring that high-quality, person-centred bereavement care and support is available to those who need it. That has been delivered through targeted spending towards mental health, with 10% of Scotland NHS frontline spending going directly into the area. That is a simple step we can take to ensure that supporting our constituents' needs is at the very heart of what our NHS health boards do. I formally recommend that the Minister explores the potential of that; I am looking forward to hearing what the Government intend to do.

The Scottish Government have funded a number of charitable organisations, including Child Bereavement UK, Includem and Cruse Bereavement Care Scotland, to ensure that additional support is available to individuals and families at the point of need. My own office manager was able to access the Cruse Bereavement services over the past year after the loss of her father. She has explained in great detail and applauded the quick access to a qualified specialist within two weeks of initial contact and the time, dedication and individualised support given by the team. That has all been made

possible from the additional funding that was put in place, which has in turn cut down waiting times and made services far more accessible and wide-ranging.

Much more must be done. The Government should fund a marketing campaign to actively support grassroots charities and promote the support available to grief sufferers. That would allow grief to be recognised with a formal, bereavement-specific pathway that accounted for its multifaceted impact on individual lives. It would also encourage employers and workplaces across all four nations to understand the importance of a compassionate approach to a healthy working environment. My SNP colleagues within this House have long campaigned for legislation on paid bereavement leave, particularly in the case of miscarriage. The loss of a baby is a pain that no parent should have to endure.

My hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) introduced a private Member's Bill last month to change the law to ensure that those who experience a miscarriage are given at least three days of paid leave. Tomorrow she will present a ten-minute rule Bill, which, if successful, would introduce statutory paid leave for parents who experience miscarriage before 24 weeks of pregnancy. While two weeks of parental bereavement leave and pay is in place after stillbirth, there is no such support for anyone who has experienced a miscarriage before 24 weeks of pregnancy.

While bereavement is a fact of life, if a fraction of the costs associated with it could be mitigated with better support at the right time, we could boost our economy and have a healthier society with a greater sense of wellbeing at its very heart. I urge all Members within this Chamber, and indeed the whole House, to support the Bill tomorrow and in doing so take a positive step into making the four nations a compassionate and empathetic place for all those experiencing bereavement.

4.58 pm

Dr Rosena Allin-Khan (Tooting) (Lab): It was approximately six years ago that you sat next to me when I made my maiden speech, Mr Davies, and today is the first time I have had the pleasure of serving under your chairmanship. I thank the hon. Member for North Devon (Selaine Saxby) for securing this important debate, and all hon. Members for their thoughtful contributions.

People, including us in this place, are growing more comfortable about sharing their own experiences of loss and grief. I thank the hon. Member for Strangford (Jim Shannon) for kindly mentioning my professional experience with those needing bereavement support. Last year I had the very painful personal experience of losing my father after a long, protracted, difficult and painful battle with dementia, which came on when he was very young. No one can prepare someone for how they will cope with the loss, and everyone will react incredibly differently. The only sure thing we know is that everyone will go through it at some point.

It is important to remember that everyone deals with loss differently. I threw myself into exercise and relied on a support network of my friends and family. Together, we mourned for the life lost and the experiences we were never able to have. Others require professional help.

I will take this opportunity to thank the palliative, neurological and bereavement support charity Sue Ryder, for the assistance it provides to so many families, and

[Dr Rosena Allin-Khan]

Lottie Tomlinson, who has done so much to break down the stigma that still exists around bereavement. Lottie speaks from the heart about navigating the loss of both her mother and her sister, and the different experiences she had in getting informal support from her family and professional support after the loss of her sister.

There is no one-size-fits-all approach to bereavement. Indeed, it is different for everyone, depending on whether they have lost a child or even, in the case of the hon. Member for North Devon, a grandmother—I am so sorry to hear about the hon. Lady's loss. No amount of comments such as “She had a good innings” can take away from the pain and loss that she feels, because the family had her in their lives for 98 years and that really counts for something. All our love and support go to the hon. Lady's family at this time.

The pandemic robbed so many families of the opportunity to say a final goodbye. That has had a profound impact on people's ability to grieve. The mental health impact of that is enormous. Around one in 10 people bereaved will suffer from prolonged grief disorder, resulting in severe mental health conditions, such as post-traumatic stress disorder.

In the report released by Sue Ryder last week, 70% of respondents reported that they could not access the type of support they would have liked after a close bereavement. The most common barriers to accessing support were that it was not culturally specific, or not provided in the recipient's language. That has to change. There is a postcode lottery on bereavement support, and that should not be the case. Some local authorities do a fantastic job with limited resources, but it should not have to be that way. So much for levelling up if some areas cannot even afford dignity in death.

Bereavement charities and local authorities should not be living hand to mouth when it comes to bereavement support. The Government must have a clear strategy that tackles the social isolation and loneliness that people often experience after a death. It must ensure that all family members are provided with information about bereavement support services in all appropriate languages.

In A&E, where I work, when a patient dies, there is all too often little joined-up working. I know local bereavement organisations and am able to signpost loved ones to them, but not everyone is able to do that. That is where the development of a specific bereavement pathway would be incredibly useful for frontline workers. It could ensure that relatives are given the information that they need at a time of crisis by hospitals, GPs and charity services. That would help healthcare professionals to find the right support for anyone who has experienced a bereavement, and should be supported by a public health campaign to promote awareness of the different services available.

I would again like to thank everyone who has shared their experiences in order to help to tackle the pernicious stigma still associated with bereavement. It is clear that there is a long way to go to ensure that bereavement services get the support they need to support all of our communities at their darkest hour. I urge the Minister to take the comments made today into account. I know that the UK Commission on Bereavement is currently

working to analyse and understand all the evidence that it has received, and I look forward to its report this year.

Experiencing the death of a loved one is one of the hardest things a person will go through. Unfortunately, the last couple of years have made that an all too stark reality for too many people. The humanity was stripped out of grieving; it is high time that it was put back.

Geraint Davies (in the Chair): Last but not least, I call the Minister.

5.3 pm

The Minister for Care and Mental Health (Gillian Keegan): Thank you very much, Mr Davies. It is also my first time—and a real pleasure—to serve under your chairmanship. I congratulate my hon. Friend the Member for North Devon (Selaine Saxby) on securing this important debate and using her voice to support a local charity and its role in helping people all the way through the pandemic. I also congratulate her on her role in getting broadband to so many of her constituents at such a vital time. I am sure they were very grateful.

It is vital that bereavement support is available and accessible to those who need it, when they need it. People who have been bereaved navigate their grief in different ways, as we have just heard in the moving testimony from the shadow Minister, the hon. Member for Tooting (Dr Allin-Khan), about the sad death of her father. I, too, would like to pass on my condolences at his untimely death. She threw herself into exercise, and some people can manage their grief in that way, with the support of loved ones—family and friends. Our role as Government is to signpost the options for support to help people through this journey, however they need that. Probably all of us have suffered a bereavement, and I understand how overwhelming the emotions associated with grief can be. From conversations with bereaved people, bereavement support organisations and my policy officials, I know that there is still more to do to overcome the stigma of grief.

As part of its “Time to grieve” campaign, Independent Age recently came to the Department of Health and Social Care to deliver to me an open letter about the importance of emotional support services. I was pleased to meet the representatives from Independent Age, as well as a number of bereaved people who had made the journey to the Department, in Victoria Street, to join them. It was deeply moving to hear their harrowing stories of loss and grief. They included people who had been, very sadly, bereaved by covid-19. I heard how much all the restrictions had impacted their ability to go through the difficult but normal mourning and grieving processes. I gained so much from that experience and the conversations that I had, and I would like to thank those people. I know that it was not easy for them to come. It took a great deal of time, and it took a great deal of strength to share their stories.

I know that many people still feel unable to speak up about their grief. We must encourage people to have conversations, whether that be with personal support networks or specialist bereavement support organisations, about their feelings and experiences. There is no quick fix for grief. But as a society, we can collectively tackle the stigma and make it easier for people to share their feelings and to seek the support that they need.

At the start of the covid-19 pandemic, the Government recognised the unparalleled circumstances and the need for additional bereavement support due to the increase in deaths. And as the pandemic progressed, we recognised that the restrictions on social contact that were in place to limit the spread of the virus disrupted the grieving process for many. That made it much more difficult to say goodbye and led to some people experiencing more complicated grief.

In 2020-21, as part of a wider package of mental health support, we provided more than £10 million of funding for mental health charities, including several bereavement support organisations. One organisation to benefit from that funding was the National Bereavement Partnership, which my hon. Friend the Member for North Devon has referred to in this afternoon's debate. I know that the National Bereavement Partnership was able to achieve some invaluable outcomes with the funding. It bolstered its capacity to provide support for those suffering mental ill health and anxiety following a bereavement; and it was able to provide support through its helpline, a befriending programme, a signposting service and therapeutic interventions. I am truly grateful for all its hard work during this tough period.

Other organisations funded by the Government during this time were able to achieve some fantastic outcomes, such as increased signposting, online resources and training events, and increased capacity to run helplines and webchats. They were also able to advise people of something that perhaps not everyone knows: people can now self-refer for NHS talking therapies. If people go on to the NHS website and search for talking therapies, they can self-refer to get that support if required.

The wider fiscal and economic context meant that we were not able to extend the additional grant funding to bereavement support organisations beyond March 2021; it was for a specific period. Outside the extraordinary circumstances of the pandemic, bereavement support services are commissioned locally, based on the needs of the local population. We know, though, that in the past it was not always clear whether clinical commissioning groups or local authorities were responsible for providing or commissioning bereavement support. As a result, it could sometimes fall through the cracks. However, the establishment of integrated care systems, as of last Friday, in places across the country will help to improve collaboration among commissioners, local authorities and other partners. The integrated care system for Devon is now established, and I am sure that my hon. Friend the Member for North Devon will be meeting its representatives very shortly. She will be pleased to hear that we have added palliative care services to the list of services that an integrated care board must commission to ensure a consistent national approach and support commissioners in prioritising palliative and end-of-life care. To support that, NHS England will introduce new statutory guidance as well as technical guidance and tools, which will include bereavement support as part of a wider package of palliative and end-of-life care services.

I was interested to hear about the many achievements of Michaela Willis and how many people she has personally helped. It was sad to hear her powerful testimony that the National Bereavement Partnership has had an abundance of calls from those who have lost loved ones, including by suicide, and from people contemplating suicide as a result of personal loss. The NHS long-term

plan has ensured that every local area has services for suicide bereavement support. By the end of the year, these services will proactively communicate with bereaved families within days of a sad death to offer their support. The Government can provide better support in other ways. For example, we know that fewer people from minority ethnic groups access bereavement support services, so we are working with the National Institute for Health and Care Research to commission research into the barriers that prevent minority ethnic groups from using these services. That bid is backed by at least £350,000, and we expect the findings of the research in 2024.

My hon. Friend the Member for North Devon said that many people may experience complex grief. We recognise that, and we are working with the National Institute for Health and Care Research on other areas relating to bereavement support, including prolonged grief disorder, on which further research could be commissioned. We will continue to work closely with the bereavement support sector on the matter. In June 2021, in response to the pandemic and the societal impact of the huge numbers of individuals and families suffering a bereavement, the UK Commission on Bereavement was established. Its remit is to explore issues and make recommendations to Government on how to support bereaved people better. Alongside launching calls for written and oral evidence from bereaved members of the public, the commission is informed by a lived experience advisory forum and is working with stakeholders in the sector via a steering group. I have met with the commission and I await the publication of its report in September. Knowing the extent to which its report is informed by the voices of the bereaved, I look forward to reading the findings and recommendations. I have made a commitment that the Government will formally respond to the commission's report.

I have been actively engaging with a range of bereavement support stakeholders. Their main concern is the lack of join-up across Departments on areas that impact bereaved people. We have listened and acted to address that. I directed my officials to set up a cross-Government working group to discuss cross-cutting issues that relate to bereavement support, and I am pleased to say the working group first met earlier this year, with representatives from 10 Departments. The working group continues to meet on a regular basis and has met with the UK Commission on Bereavement to discuss its initial findings.

The pandemic has been the largest public health challenge in the past 100 years. Its legacy is clear: thousands of bereaved families are grieving the loss of a loved one. So bereavement will form a central component of the public inquiry into the Government's handling of covid-19. As a Government, we are working with the bereavement sector to ensure that support is available for those who need it. We must break down the factors that create barriers to bereavement support, such as ethnicity. Our research with the NIHR will help us do that. I thank all those who have lost friends, families and loved ones and have shared their deeply personal experiences with me, either directly or through the UK Commission on Bereavement. To all bereavement support organisations, I want to say thank you. The services they provide are vital for their communities. I encourage bereavement support organisations to reach out to their local integrated care system to understand the support on offer and how they can help deliver bereavement services.

[Gillian Keegan]

Finally, to my hon. Friend the Member for North Devon, I am truly sorry to hear about the loss of her grandmother—my condolences to her and her family. I, too, lost my grandmother, who was nearly as old at 96. I still have her as my screensaver on my phone. It cheers me up every time I switch my phone on. It is still very sad and a loss that is keenly felt. I thank my hon. Friend for her strength in bringing forward this important debate and championing her local charity. I hope that the information I have provided will be instructive, so that she can carry on those discussions with the integrated care system in Devon.

5.15 pm

Selaine Saxby: It is a pleasure to have you in the chair, Mr Davies. I thank the Minister for her words. I hope that this is the start of a conversation and that, by

talking about some of these difficult things in this place, we are able to move these things forward. I thank the hon. Member for Tooting (Dr Allin-Khan)—my grandmother was one of her constituents. I place on the record my thanks to all hon. Members for their kind words this afternoon. I would dearly like to make this a tribute to my grandmother Mrs Doreen Fitch.

Question put and agreed to.

Resolved,

That this House has considered funding for bereavement charities.

5.15 pm

Sitting adjourned.

Written Statements

Tuesday 5 July 2022

TREASURY

Finance Bill 2022-23: Draft Legislation

The Financial Secretary to the Treasury (Lucy Frazer): The Government will introduce the Finance Bill following the next Budget.

In line with the approach to tax policy making set out in the Government's documents "Tax Policy Making: a new approach", published in 2010, and "The new Budget timetable and the tax policy making process", published in 2017, the Government are committed, where possible, to publishing most tax legislation in draft for technical consultation before the legislation is laid before Parliament.

The Government will publish draft clauses for the next Finance Bill, which will largely cover pre-announced policy changes, on 20 July along with accompanying explanatory notes, tax information and impact notes, responses to consultations and other supporting documents. All publications will be available on the gov.uk website.

[HCWS180]

DEFENCE

Continued Support to Ukraine

The Secretary of State for Defence (Mr Ben Wallace): Today, I am pleased to update the House with further details on the UK-led training programme of Ukrainian armed forces announced by the Prime Minister on his recent visit to Kyiv.

In response to Russia's illegal invasion of Ukraine, the UK Government are providing £2.3 billion of military aid to Ukraine. Included in this is a commitment to spearhead an innovative programme which aims to train up to 10,000 new Ukrainian recruits in the UK.

The first rotation of Ukrainian soldiers has recently arrived in the UK. Training will take place on military training areas across the north-east, south-west and south-east regions. The training will be conducted by elements from 11 Security Force Assistance Brigade.

These Ukrainian soldiers will undertake courses based on the UK's basic soldier training. This includes weapons training, battlefield first aid, fieldcraft, patrol tactics and training on the law of armed conflict. Each course will last several weeks. I have informed hon. Members whose constituencies include the bases being used for this training programme about local arrangements.

Our ambition is to increase the scale and frequency of these courses, in line with Ukrainian requirements. We are also discussing with international partners options to broaden involvement in the training programme, working constructively with countries prepared to support either by contributing trainers or providing equipment.

We expect the training package to evolve over time. I will keep Parliament informed of the outcomes of these initial courses and any plans to increase the programme's scale or scope.

This activity is a priority for the Ministry of Defence as part of the UK's unwavering efforts to bolster the capability of the Ukrainian armed forces and demonstrates continued UK leadership in responding to Russia's war of aggression. I can reassure the House that the Ministry of Defence has received strong support from across Government for the non-military provisions required to support such a significant training programme.

While the training activity is being made public, some details will be kept confidential for security purposes.

[HCWS182]

EDUCATION

Contingent Liability

The Minister for School Standards (Mr Robin Walker): Today I have laid before the House a departmental minute giving notice of a contingent liability for the issuing of an indemnity in respect to the formation of the curriculum arm's length body.

The proposed indemnity will be reported as a contingent liability in line with the HM Treasury contingent liability framework and managed in accordance with managing public money (MPM).

The Government have announced that Oak National Academy will be converted into a new arm's length body to the Department for Education—focused on supporting teachers to plan and deliver an excellent curriculum and building on Oak's success. Oak National Academy was created in April 2020 as a sector-led, national response to support schools in educating pupils remotely during the pandemic. It is incubated by the Reach Foundation charity and part funded by Government grants.

The proposed indemnity is for £10 million and would cover the Reach Foundation, which is a charitable organisation, against liabilities, claims, costs, and obligations that are made in relation to the transfer for free of assets, licences, and undertakings of Oak National Academy to the curriculum arm's length body, including the TUPE transfer of staff.

It is usual to allow a period of 14 sitting days prior to accepting a contingent liability, to provide hon. Members an opportunity to raise any objections. I regret that on this occasion pressing requirements to transfer the assets to the ALB before 1 September, together with the dissolution of Parliament, have meant that it has not been possible to provide the full 14 sitting days prior to taking on the contingent liability.

Her Majesty's Treasury has approved the contingent liability in principle.

A copy of the departmental minute will be placed in the Libraries of both Houses.

[HCWS179]

Key Stage 2 Attainment

The Minister for School Standards (Mr Robin Walker):

The key stage 2 (KS2) national statistics released today show that the percentage of pupils meeting the expected standard in all three subjects of reading, writing and maths at age 11 was 59% in 2022. This is lower than it was before the pandemic: 65% of pupils met the standard in all three subjects in 2019. While this is disappointing, it was expected due to the impact of the pandemic. The Government recognise, and value, the work that teachers up and down the country are putting into education recovery, but also understand that there is more work to do.

We welcome the increase in reading attainment from 73% in 2019 to 74% in 2022, despite the disruption of covid, which is a tribute to the hard work and dedication of our teachers, pupils and parents. Indeed, these figures build on the research we commissioned from Renaissance Learning, published in March 2022, that showed faster recovery in English reading than in maths. Reading is, of course, fundamental: we cannot knock down barriers for children if we do not teach them to read well. Attainment in maths and in writing, however, are disappointing, but not unexpected: in 2022 71% of pupils met the expected standard in maths, compared to 79% in 2019, while in writing, 69% of pupils met the expected standard, down from 78% in 2019.

Today's statistics summarise KS2 attainment at national level and, of course, we want to understand the detail beneath these figures. There will be a further statistical release on 6 September setting out breakdowns of the KS2 results, including by region, local authority area and pupil characteristics such as disadvantage. It is, of course, likely that some pupils, and some areas of the country, will have been impacted more than others due to the pandemic.

It is vital that we have a clear understanding of the impact of the disruption caused by covid-19 on the attainment and progress of all pupils, to support schools in their work on education recovery. That is why we decided to go ahead with primary assessments this year, without adaptations, so that we can have a consistent measure of attainment before and after the pandemic. This will enable us to be open and transparent about the impact of the pandemic on attainment at system level. As we announced in July 2021, we will not be publishing school-level KS2 data this year in performance tables because we did not make adaptations to the tests and assessments or the standards. We will share school-level data in the autumn with schools, academy trusts and local authorities to inform school improvement and support school leaders. We will ensure clear messages are placed alongside any data shared to advise caution in its interpretation.

The statistics published today underline the importance of our focus on recovery. Recovery funding is already making a difference, but we recognise that there is more still to do.

That is why we have committed nearly £5 billion to fund a comprehensive recovery package. By May 2022, 1.5 million courses had been started by children across England through the national tutoring programme; and £950 million of direct funding, through the catch-up and recovery premia, was helping schools to deliver

evidence-based interventions based on pupil needs. In light of the success of this year's school-led tutoring route through the national tutoring programme, next year we will allocate all tutoring funding directly to schools, simplifying the system and giving schools the freedom to decide how best to provide tutoring for their pupils.

As well as specific recovery investments, The schools White Paper, "Opportunity for all: strong schools with great teachers for your child", published on 28 March sets out how our education system will deliver recovery through a wider programme of ambitious reforms that truly level up outcomes and ensure we build back better from the pandemic.

On maths in particular, we continue to support and enhance the teaching of maths through our network of 40 school-led maths hubs, which are helping local schools improve the quality of their mathematics teaching based on best practice. We have also established the £100 million Teaching for Mastery programme, which is bringing mastery teaching to 11,000 schools across England by 2023. This teaching style focuses on depth of understanding and is based on best practice from East Asian jurisdictions that perform highly in international mathematics tests. Drawing on this approach, we have also published non-statutory guidance to support teachers to prioritise and sequence the maths curriculum in a way that aims to help pupils understand and progress in mathematics.

On English, we continue to support the teaching of early reading through our network of 34 English hubs, established in 2018. The English hubs programme is dedicated to improving the teaching of early reading, with a focus on supporting children making the slowest progress. In July 2021 we also published "The reading framework: teaching the foundations of literacy", non-statutory guidance for teachers and school leaders, aimed at improving the teaching of the foundations of reading in primary schools by defining best practice. We will build on this by publishing part 2 of the reading framework next year, to provide evidence-based non-statutory guidance on teaching reading for years 2 to 9.

The ability to read fluently is also important when developing pupils' writing skills. We are heartened that the data released today has shown an increase in reading attainment despite the disruption of covid, but we know there is more to do to ensure this translates into an improvement in writing attainment. In September 2022, we will launch the NPQ in leading literacy, which will support school literacy leaders to have a secure understanding of the importance of literacy and recognise the influence it has on pupils' future academic achievement, wellbeing and success in life. It will support leaders to develop expertise in the teaching of reading and writing and enable them to share their expertise effectively to improve literacy outcomes for every child.

We have also invested £10 million in core skills in English and maths for the 2021-22 academic year, as part of the accelerator fund, which included funding for the English and maths hubs programmes to help pupils secure the key knowledge and understanding they need to progress—and which may have been missed due to covid-19 disruption.

The parent pledge in the schools White Paper will also make the Government's vision clear that any child who falls behind in English or maths will receive the right evidence-based targeted support to get them back on track.

Underpinning all of these initiatives is the need to help children and young people recover from the impact of the pandemic and to achieve their full potential. The Government remain fully committed to achieving this aim.

[HCWS178]

HOME DEPARTMENT

Jermaine Baker Inquiry

The Secretary of State for the Home Department (Priti Patel): On 12 February 2020, I announced the establishment of an independent inquiry, under the Inquiries Act 2005, to investigate the circumstances involved in the death of Jermaine Baker during a Metropolitan Police Service operation on 11 December 2015.

Today, the chair of the inquiry, His Honour Clement Goldstone QC, published the inquiry's final report. As set out in the Inquiries Act 2005, the report has also been laid before Parliament.

My Department will consider any findings and any recommendations in due course. I hope this report will provide answers and closure for the Baker family.

[HCWS181]

TRANSPORT

Great British Railways: Headquarters

The Secretary of State for Transport (Grant Shapps): Today, 5 July 2022, I am announcing the shortlist of the most suitable potential locations for the national headquarters of Great British Railways (GBR), which will go forward to a consultative public vote to be held online and by post.

The confirmed list of shortlisted towns and cities is:

Birmingham
Crewe

Derby
Doncaster
Newcastle upon Tyne
York

I announced on 4 October 2021 that a competition would be run to identify the headquarters for GBR, to be located outside of London. This was launched on 5 February 2022 and was overseen by the GBR Transition Team (GBRTT). Prospective local authorities were asked to submit a short Expression of Interest to GBRTT by Wednesday 16 March.

GBRTT received 42 applications and has analysed their suitability against the published set of criteria for the national headquarters. The selection criteria are:

Alignment to Levelling Up principles
Connected and easy to get to
Opportunities for GBR
Value for money
Railway heritage and links to the network
Public support

GBRTT will launch a public vote today that will give the public the opportunity to express their views. The vote is consultative and will be used to test public support for each shortlisted location, allowing the people that the railway serves the chance to have their say.

Ministers will then make a final decision on the headquarters' location based on all information gathered and against the above criteria, with a final decision expected later in the year.

The new national GBR headquarters will be supported by a number of new regional headquarters across the country, putting decision-making and investment at the heart of communities that use those railways day to day.

The Government are committed to levelling up, delivering jobs and investment beyond the capital. The national headquarters will be at the heart of the rail network and provide strategic direction for the running of GBR. Based outside London, it will bring a number of high-skilled jobs to the winning location.

[HCWS177]

Ministerial Correction

Tuesday 5 July 2022

LEVELLING UP, HOUSING AND COMMUNITIES

Rough Sleepers: West Midlands

The following is an extract from Levelling Up, Housing and Communities questions on 27 June 2022.

Michael Fabricant: I thank my hon. Friend for mentioning the Mayor of the West Midlands—oh my gosh, I have forgotten his name; oh yes, it has come back to me—Andy Street. How does the Minister assess the effectiveness of the Housing First pilot that the Mayor has initiated in addressing rough sleeping in the west midlands?

Eddie Hughes: Andy Street, the Mayor of the West Midlands, has been a strong champion of the Housing First programme and the pilots. That has already

achieved 552 individuals securing a tenancy through the programme. They are provided not just with accommodation but with the incredibly vital support that is necessary to help people to sustain a tenancy.

[Official Report, 27 June 2022, Vol. 717, c. 13.]

Letter of correction from the Under-Secretary of State for Levelling Up, Housing and Communities, the hon. Member for Walsall North (Eddie Hughes).

An error has been identified in my response to the hon. Member for Lichfield (Michael Fabricant).

The correct response should have been:

Eddie Hughes: Andy Street, the Mayor of the West Midlands, has been a strong champion of the Housing First programme and the pilots. That has already achieved **more than 520** individuals securing a tenancy through the programme. They are provided not just with accommodation but with the incredibly vital support that is necessary to help people to sustain a tenancy.

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**not later than
Tuesday 12 July 2022**

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Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
