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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 7 July 2022

House of Commons

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DIGITAL, CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Full-fibre and Gigabit-capable Broadband

1. **Robbie Moore** (Keighley) (Con): What steps her Department is taking to deliver full-fibre and gigabit-capable broadband by 2025. [900932]

4. **Sally-Ann Hart** (Hastings and Rye) (Con): What steps her Department is taking to deliver full-fibre and gigabit-capable broadband by 2025. [900939]

The Secretary of State for Digital, Culture, Media and Sport (Ms Nadine Dorries): In the past three years, national gigabit coverage has rocketed from 6% to 69%. Through Project Gigabit, we are investing £5 billion so that people in hard-to-reach areas can get ultra-reliable gigabit broadband speeds. We have already upgraded more than 600,000 premises and we have over half a billion pounds of contracts out for tender right now. Last week, I also announced £82 million in funding to connect up to 3,000 schools to lightning-fast gigabit broadband.

Robbie Moore: In too many parts of my constituency, access to good-quality, fast broadband is a real issue for local businesses, and our economy is being held back as a result. However, we are making progress, including an additional 25,000 houses being connected through fast gigabit broadband. Could my right hon. Friend update me and the House on what further progress we can make across my constituency to help those businesses that are struggling with access?

Ms Dorries: I am pleased that 82% of premises in Keighley can already access a gigabit-capable connection, exceeding the national average. I join my hon. Friend in welcoming the recent progress that has been made. We are making good progress to reach premises not included in the suppliers commercial plan through Project Gigabit. Preparations are under way for the procurement covering Keighley, which is due to start between February and April next year. It was never the case that we were going to be able to go from zero to 100% overnight—I am sure all hon. Members accept that—but we are making excellent progress.

Sally-Ann Hart: In 2011, Ofcom estimated that only 3% of homes and businesses in East Sussex had access to superfast broadband, putting the county in the fourth quintile nationally. Now the figure stands at 98%. We have also seen local villages such as Westfield and Three Oaks working really hard to take advantage of the Government's national rural gigabit voucher scheme, supported by the East Sussex rural gigabit top-up scheme. Will my right hon. Friend join me in thanking East Sussex County Council and the parish councils for their hard work and urge other rural communities to take advantage of these schemes to improve their connectivity and boost local economic growth?

Ms Dorries: I thank my hon. Friend for the work that she did on the Committee that considered the Product Security and Telecommunications Infrastructure Bill—vital legislation to give all parts of the country great connectivity. I join her in thanking East Sussex County Council and parish councils across the country that have supported local communities to benefit from our £210 million gigabit broadband voucher scheme. She rightly highlights the incredible growth in superfast coverage across East Sussex, which has benefited from public subsidy through voucher funding and earlier superfast contracts.

Charitable Giving: Cost of Living Increases

2. **Mrs Emma Lewell-Buck** (South Shields) (Lab): What recent assessment her Department has made of the impact of increases in the cost of living on charitable giving. [900934]

10. **Liz Twist** (Blaydon) (Lab): What assessment her Department has made of the impact of increases in the cost of living on charitable giving. [900945]

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): We understand that the pressures people are facing mean that some will not be able to give as much to charity as they have done in the past. However, while recent reports show a drop, average donations remain higher than pre covid, and total donations for the first quarter of 2022 look to be the highest since 2017, although this is due in large part to the incredible generosity of the British people in giving over £300 million towards the Ukrainian humanitarian appeal. I will continue to work closely with the sector on this important issue.

Mrs Lewell-Buck: I thank the Minister for that response, but he just does not get it, does he? Thanks to this Government's cruel policies, food banks are now embedded in our welfare state. As the cost of living crisis intensifies, we are running out of food donations and people are going hungry. It is an abdication of the Government's duty to leave charities to fill gaps left by the state, so when will whoever is left in the Government start doing their job?

Nigel Huddleston: I gently remind the hon. Lady that the Opposition do not have a monopoly on sympathy and understanding. We completely understand the pressures that people are facing with the cost of living and have taken action to support families. That is why the Government are providing over £15 billion in further support targeted particularly at those with the greatest

need. That is in addition to over £22 billion announced previously. Government support on the cost of living now totals £37 billion this year.

Liz Twist: I associate myself with the remarks by my hon. Friend the Member for South Shields (Mrs Lewell-Buck). That is the experience in my constituency too—food banks are suffering. Research by the Charities Aid Foundation found that 82% of charities are worried about how they are going to pay their utility bills, and many of them worry that they will not survive the crisis. What action are the Government taking to help our valuable charities to stay afloat?

Nigel Huddleston: During the pandemic, we showed how important charities were, with more than £750 million for the charity scheme. That showed that we needed them to survive, because they play such an important role in our society. I will continue to engage with charities and make representations to other parts of Government. We recognise the important role they play, but also we need to help families directly, which will then reduce the burden on the charities.

Mr Speaker: We now come to the shadow Minister, Barbara Keeley.

Barbara Keeley (Worsley and Eccles South) (Lab): Charities are indeed working harder than ever to support people through this cost of living crisis. They are delivering food to older people, supporting people with the stresses of poverty and working tirelessly to advocate for vulnerable people, yet charities are suffering from a big hit to their income as their running costs spiral and demand for their services rockets. I cannot find any mention that the Secretary of State has made of charities since she was appointed last year. Will the Minister admit that charities have not been a priority for this Government, and when will they take the steps to support the sector to deal with this perfect storm of pressures?

Nigel Huddleston: The hon. Lady is completely wrong. The Secretary of State and I talk about and to charities all the time—constantly. What she said goes against the facts. As I just outlined, there was £750 million in charity support during the pandemic, which was a specific recognition of the key role that they play.

Gambling Review White Paper

3. **Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): When she plans to publish the gambling review white paper. [900935]

7. **Owen Thompson** (Midlothian) (SNP): What her time-scale is for publishing a gambling review white paper. [900942]

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): I know that both Members have taken an active involvement in this issue and, like all the House, are looking forward to seeing the outcomes of our Gambling Act 2005 review. It remains a priority for the Department, and we will publish a White Paper setting out conclusions and a vision for the sector in the coming weeks.

Gerald Jones: We know that the Department has considered gambling-related harm to be a public health issue and preventing harm is an essential objective of gambling regulations, so may I gently press the Minister to confirm whether key public health-based reforms, such as a smart statutory levy, the introduction of online stake limits, an effective affordability assessment and controls on gambling advertising, will be included in the forthcoming White Paper?

Nigel Huddleston: I know how passionately and seriously the hon. Gentleman takes this issue, as do we on this side of the Chamber. That is why the review was comprehensive and covered many, if not all, of those areas that he mentioned. I ask him to be slightly patient, because we will be responding to the review in due course.

Owen Thompson: Many countries are ahead of the UK in regulating loot boxes and video games and require games to display the odds of receiving certain loot in the box items. It is essential to ensure that we are not subjecting players to blind gambling, yet *Diablo Immortal*'s "rift" feature finds a loophole apparently in this, and is essentially a loot box that is contingent on skill-based gameplay. The skill-based element means it is not technically gambling and does not have to display odds, but it is a loot box. Will the Minister commit to exploring in the gambling review how to close that loophole, and will the Department meet with the game developer Blizzard to discuss how to close the loophole in *Diablo Immortal*?

Nigel Huddleston: Again, this is a topic that has consumed the attention of the whole House. The gambling review was looked at separately from the specific issue of loot boxes, where we recognise there are also issues and concerns, and we have been conducting a review. I reassure the hon. Gentleman that protecting children, both on loot boxes and in the gambling review, is front and centre of our thoughts.

Caroline Nokes (Romsey and Southampton North) (Con): It is not just children who can be impacted by loot boxes and other gambling mechanics; it is also people with other vulnerabilities. It is critical that the Government take effective steps to close loopholes, and do not just bake in the problem for ever more creative tech companies to exploit.

Nigel Huddleston: My right hon. Friend makes an important point about ensuring that the review we conduct and the conclusions that come out of it are comprehensive, but it is important, as technology evolves and changes, and becomes ever more sophisticated—as it does, particularly in the online gambling and gaming space—that we keep a close eye on developments, and we will be doing that going forward.

Justin Tomlinson (North Swindon) (Con): I thank the ministerial team for their continued good work. Specifically on fixed odds betting terminals, would it not be a pragmatic and sensible consideration to display the average return rate for five seconds at the beginning of play, so that users can make an informed decision to weigh up enjoyment against the likely returns?

Nigel Huddleston: My hon. Friend makes an important point. The White Paper will be looking at those issues, and the Gambling Commission of course looks at those kind of issues on an ongoing basis. He raises important points about targeting, in particular of the most vulnerable in society, and it is something of which we are very aware.

Carolyn Harris (Swansea East) (Lab): One could be forgiven for failing to notice a news article yesterday regarding No. 10 policy advisers who have links to gambling companies. It would be unforgivable, however, if either of those advisers had attempted to influence the White Paper in a way that could be considered to favour the industry. Can the Minister assure the House that that is not the case?

Nigel Huddleston: I appreciate the hon. Lady's passion and commitment on the subject; we have had many conversations. She will be aware that we have engaged extensively with stakeholders in the course of the gambling review.

Mr Laurence Robertson (Tewkesbury) (Con): When the Government publish the White Paper, which I very much look forward to, will they ensure that it makes it clear who will be responsible for the issue of affordability—the Government or the Gambling Commission?

Nigel Huddleston: Again, I cannot pre-empt the conclusions of the review, but my hon. Friend makes an important point. The Secretary of State in particular is aware of that and we will be communicating more in due course. Affordability is an important point.

Mr Speaker: I call the shadow Secretary of State.

Lucy Powell (Manchester Central) (Lab/Co-op): I am not at all surprised to see the Secretary of State still in her place; I had no doubt that she would be the last woman standing in support of the Prime Minister while all around her collapses, including her ministerial team. I wondered whether, by this morning, she would hold not only all the ministerial offices in her Department but several other Cabinet posts as well.

For many months, we have heard that the gambling White Paper is imminent. It has still not been published, although its content has again been trailed to the newspapers. Apparently, Ministers are dropping the gambling levy, which has widespread support, and other measures that would bring the analogue gambling regulation into the digital age. Is that true?

Nigel Huddleston: No.

Lucy Powell: Well, we now know from the former gambling Minister, the hon. Member for Croydon South (Chris Philp), that the White Paper is with No. 10 for sign-off—good luck with that. We have also been promised the media Bill, a White Paper on football regulation, a review of women's football, a review on the future funding of the BBC, and a data Bill—all before the summer recess. How is that going? The truth is that we have chaos, paralysis and a total collapse of Government, with huge swathes of vacant ministerial posts and parliamentary business on hold. Is it not the reality that not just the Prime Minister has lost the country's trust, but the entire Conservative party?

Mr Speaker: This is about the gambling review, and the question should be about that. The Minister should answer on the gambling review.

Nigel Huddleston: I hope the hon. Lady will wait to respond to the gambling review. I appreciate her giving a comprehensive list of all the policy areas and manifesto commitments on which the Government are committed to delivering. She could have gone further and mentioned safe standing, the delivery of the Commonwealth games, which start in three weeks' time, or the Euros—well done to the Lionesses for last night. I thank her for giving a list of the Government's achievements.

Mr Speaker: I also do not want the Minister to wander off topic. Let us go to someone who will put us back on track—John Nicolson, the SNP spokesperson.

John Nicolson (Ochil and South Perthshire) (SNP): In what could be our last exchange across the Dispatch Box, I recognise that the Secretary of State cannot bind the hands of her successor, but as we move away from post-truth politics and culture wars, perhaps she can leave doing some good. The lottery is the country's principal gambling addiction. For most, it is innocent fun; for some, it is a problem—an affliction. The now resigned tech and digital Minister, the hon. Member for Croydon South (Chris Philp), confirmed to the hon. Member for Cardiff West (Kevin Brennan) at the Digital, Culture, Media and Sport Committee this week that tickets can be charged perfectly legally to credit cards, building up huge debts. When Camelot is replaced, can that be reformed?

Nigel Huddleston: I thank the hon. Gentleman for the final part of his comments and for drawing attention to the fact that we constantly review the lottery. We have made significant changes over time, such as to the age limit for who can play it. As he is aware, people can use a credit card if the ticket is bought with other shopping. That is the norm in many other countries, but we constantly review those exact areas.

Betting and Gaming Industry and Racing: Economic Contribution

5. **John Spellar** (Warley) (Lab): What recent estimate she has made of the economic contribution that (a) the betting and gaming industry and (b) racing make to the economy. [900940]

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): In 2019, the last full year of gambling data unaffected by covid, the gambling industry contributed £8.3 billion to the economy, or 0.4% of gross value added. The sector employs approximately 98,000 people and pays £2 billion a year in gambling duties. According to the British Horseracing Authority, racing has direct revenues in excess of £1.47 billion and makes a total annual contribution to the UK economy of over £4 billion.

John Spellar: I refer to my entry in the Register of Members' Financial Interests. I thank the Minister for that comprehensive reply. Can I urge him, in preparing the White Paper, to take a balanced view of the economic and social benefits, the considerable pleasure for millions

who bet quite responsibly and the great contribution to the Exchequer, and balance that against the very vocal lobbying, particularly in some of the media, by those who basically, with gambling, are prohibitionists?

Nigel Huddleston: Again, I assure the right hon. Gentleman that the gambling White Paper was comprehensive, and the response will be comprehensive. We have taken evidence and information from across the entire sector, so views such as those he has represented we are absolutely taking into account during the consideration.

Short-term Holiday Lets: Licensing

6. **Rachael Maskell** (York Central) (Lab/Co-op): If she will take steps to license short-term holiday lets. [900941]

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): The hon. Lady will be aware that, just last week, we announced a review of this very area. It is vitally important, particularly in tourism-affected areas of the country, and I know that her city, which I have had the pleasure of visiting, is one of them.

Rachael Maskell: Short-term holiday lets and Airbnb are blighting my city: we have nearly 2,000. That is undermining the regulated bed and breakfast and guesthouse sector. It is taking away houses from people in my city who are desperate to get homes, but it is causing antisocial behaviour and party houses on residential streets. Will the Minister ensure that the Government introduce a licensing system as opposed to a registration scheme, and also enable local authorities to create areas where there are no Airbnbs? Will the Minister meet me to discuss the crisis we are currently facing?

Nigel Huddleston: I am always delighted to meet the hon. Lady. She raises some important points, articulating precisely the need for the review, which we have brought in because we are very aware of some of the issues she raised. Some of the individual entities—Airbnb and so on—are already taking action on antisocial behaviour and the number of people who can be at parties. We expect, and require them actually, to continue to be responsible for and responsive to their customers and, indeed, local communities. We have not pre-empted the conclusions of the review, so I ask her to please contribute to that review.

Michael Fabricant (Lichfield) (Con): The hon. Member for York Central (Rachael Maskell) is absolutely right to identify the issue that she has in York and in other parts of the country, but will my hon. Friend also bear in mind that these lets generate income for the area too, and many restaurants and other places would probably go out of business were it not for some of these lets?

Nigel Huddleston: My hon. Friend is making an important point, and that is why this is a call for evidence. It is about information; we have not come to conclusions or, indeed, decisions about potential legislation. There is a balance to be had here. Many people rent out

a spare room, and in particular in these straitened times, it is very important that they can get additional revenue where they can.

Kevin Brennan (Cardiff West) (Lab): With the announcement, just now, that the Prime Minister has resigned as the leader of the Conservative party, will his temporary occupation of No. 10 Downing Street over the summer qualify as a short-term holiday let?

Nigel Huddleston: I am sure the hon. Gentleman is enjoying himself, but that is nonsense. I think the important thing to make very clear, as people can see today, is that government continues.

Charity Lottery Annual Sales Limit

8. **Craig Whittaker** (Calder Valley) (Con): If the Government will consult on the potential merits of raising the charity lottery annual sales limit to £100 million. [900943]

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): Society lotteries are a vital source of funds for charities and other organisations, raising hundreds of millions of pounds every year. Sales and prize limits were last increased in 2020. A review after 12 months, published in March, concluded that the reforms were starting to benefit the sector, but more evidence was needed before making further changes. We will work with the Gambling Commission to keep this under review.

Craig Whittaker: I thank the Minister for that answer. As he rightly said, charity lotteries, such as the people's postcode lottery, are benefiting thousands of charities and communities around the country, not least in the Calder Valley itself, and implementing the next stage of charity lottery reform, as the Government have previously said they will do, is a great way to help to take forward the levelling-up agenda at no cost to the public purse. Will he agree to look further at this and implement that review sooner rather than later?

Nigel Huddleston: Yes, absolutely; we will keep this under review. The Government did express an ambition to look again at increasing the annual sales limit to £100 million once we were satisfied that this would result in an increase in overall returns to good causes and would not negatively impact on the national lottery. That goal of making sure the returns to good causes are optimised will be at the front of our minds.

Gigabit Broadband Rollout: Rural and Urban Communities

9. **Nick Smith** (Blaenau Gwent) (Lab): What assessment she has made of the impact of the rate of the delivery of the rollout of gigabit broadband on (a) rural and (b) urban communities. [900944]

The Secretary of State for Digital, Culture, Media and Sport (Ms Nadine Dorries): Through Project Gigabit we are ensuring that hard-to-reach areas of the UK gain access to world-class gigabit connectivity alongside delivering gigabit broadband to the rest of the country

ahead of the demand. As I said in response to an earlier answer, connectivity stood at 6% in 2019, while today the figure is 69%.

Nick Smith: Rolling out gigabit broadband requires real leadership. The Prime Minister has brought his office into disrepute, so will the Deputy Prime Minister be his stand-by this summer?

Mr Speaker: Secretary of State, I am not quite sure that question is relevant.

Ms Dorries: Yes, I am afraid that question does not relate to gigabit broadband roll-out.

Mr Speaker: I call the Chair of the Select Committee, Julian Knight.

Julian Knight (Solihull) (Con): I was originally going to ask about the Commonwealth games, which is obviously a fantastic event for the west midlands, but I wish to focus on something else that is very good news in my locality. Will the Secretary of State join me in congratulating Solihull council, Solihull Community Housing and CityFibre on striking a deal to ensure that 4,000 community housing tenants are given the very latest full-fibre network? Does she agree that whatever our roll-out programme in towns, cities and villages across the country, we must make sure everyone is covered in those localities so that we leave no one behind as we strive to finally join the first rank of connected nations?

Ms Dorries: I thank my hon. Friend for the work he continually contributes to this area and as Chair of the Select Committee, and he is absolutely right. The manifesto commitment was for 100% for a reason: that is the Prime Minister's absolute commitment that nobody would be left behind. Obviously, there are hard-to-reach areas such as hill farms and other premises in more rural parts of the country, but there are innovative ways—using 5G, satellite and other means—of getting that connectivity to those areas. That is being worked on right now, and this Government will not rest until 100% has been reached.

Internet Access for Households and Businesses

11. **Harriett Baldwin (West Worcestershire) (Con):** What steps she is taking to help ensure all households and businesses in (a) England and (b) West Worcestershire constituency are able to access fast and reliable internet connections. [900946]

The Secretary of State for Digital, Culture, Media and Sport (Ms Nadine Dorries): Only 97.5% of premises in England and 95% in West Worcestershire can access superfast broadband of at least 30 megabits per second. We are now bringing forward investment of £5 billion through Project Gigabit to provide gigabit connectivity to premises across the UK that are not covered through the commercial delivery. We have already provided gigabit coverage to 600,000 premises in areas that previously only had low speeds. We are aiming to commence procurement for gigabit coverage in Worcestershire between September and November of this year.

Harriett Baldwin: The figures I have got from the House of Commons Library for West Worcestershire say that 9% of my constituency is still not covered. That is because it is very cumbersome to put together the groups of people with vouchers to make a scheme viable, and they are very vulnerable to someone withdrawing their voucher at the last minute. Will the Secretary of State look at ways to improve that, so we can have someone underwriting and strengthening the delivery of this important service to rural areas?

Ms Dorries: Hundreds of premises in rural areas across my hon. Friend's constituency, which I know well, have received gigabit-capable connections through the voucher scheme, but, as she says, there are some fragilities to that. We will be bringing forward our Project Gigabit procurement for suppliers to provide coverage to premises that are not covered by the commercial providers, or where vouchers are not the most effective approach. Alongside this, we have introduced voucher priority areas, but in some instances suppliers are able to deliver faster thanks to their participation in the voucher scheme. I reiterate what I said in response to a previous answer: we were never going to reach 100% overnight, but to have gone from 6% to 69% across the UK in three years is pretty remarkable, and that progress continues at pace.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Prime Minister—sorry, the Secretary of State—*[Laughter.]* With the level of change at the moment, it is hard to keep track. The Secretary of State refers, I presume, to the current Prime Minister's commitment that no one be left behind, but she knows well that under successive Conservative Governments, the absence of a digital inclusion strategy means that the digital divide has broadened, whether it be between rural and urban, between those who have digital skills and those who do not, or between those who can afford broadband and those who cannot. The last digital inclusion strategy was in 2014. When will a new one appear?

Ms Dorries: The progress with which we have commenced the roll-out of gigabit broadband across the UK has been exemplary. Just last week, I held a roundtable with telecommunications providers to urge them to look at social tariffs and to offer lower rates to those who are left behind and cannot afford the rates that others can. Work never stops in this area. We are very aware of those who cannot access broadband and cannot have digital access—

Mr Speaker: Order.

Heritage Steam Railways

12. **Liz Saville Roberts (Dwyfor Meirionnydd) (PC):** What recent assessment she has made of the sustainability and future of heritage steam railways. [900947]

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): The Government absolutely appreciate the unique importance of heritage steam railways in this country in promoting our industrial heritage and supporting tourism. We are in regular communication with the industry.

Liz Saville Roberts: I am lucky to have seven heritage railways in Dwyfor Meirionnydd, and steam engines were designed to be run on coal. Following the Russian invasion of Ukraine, they face a crisis in the supply of suitable coal. The sector is working to develop alternatives to coal, as required by the net zero agenda, but it needs help. Will the Minister commit to supporting heritage steam to ensure the survival of our industrial heritage?

Nigel Huddleston: I have had several conversations with the right hon. Lady on this topic, as I have with colleagues from across the House, and I understand the complexities and challenges. She will be aware that some of the issues that need to be resolved may be outside DCMS's portfolio. Ultimately, the sourcing of fuel supplies is a commercial arrangement. However, I will be happy to continue to work with her and facilitate further conversations across Government.

Topical Questions

T1. [900950] **Robert Largan** (High Peak) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Digital, Culture, Media and Sport (Ms Nadine Dorries): In the last few weeks, we have seen huge crowds at Her Majesty's platinum jubilee, Glastonbury, Silverstone and Wimbledon. The women's Euros kicked off last night, and the Birmingham Commonwealth games are on their way. It is set to be a great British summer of culture and sport.

Speaking of sport, last week I was lucky enough to attend an event celebrating the upcoming rugby league world cup—[*Interruption.*] I know that Mr Speaker is a huge fan of the sport, and while I do not share his detailed expertise, he will be delighted that rugby league's execs have told me—and him, I believe—that rugby league has never had so much publicity and so much attention. All I can say, Mr Speaker, is, “You're welcome.”

Mr Speaker: I think you did a great job for rugby league. We certainly got it promoted.

Robert Largan: The Government deserve considerable credit for their recent announcement to allow safe standing in all premier league grounds. However, the rule change does not permit seat locking for safe standing, which is essential if we are to be able to increase capacity and provide cheaper ticket prices like those in Germany, as the overwhelming majority of fans want. Will the Secretary of State agree to meet me, officials from the Football Association and the English Premier League and colleagues from the all-party parliamentary group for safe standing to discuss the issue and get on—

Mr Speaker: Order.

Ms Dorries: I assure my hon. Friend that the safety of spectators at football matches was the key priority in the development of the policy. The report found that keeping seats unlocked would offer greater choice to spectators and was supported by the data from the spectator survey. Of course, I am always happy to meet and discuss the matter further.

Mr Speaker: I call the shadow Minister.

Jeff Smith (Manchester, Withington) (Lab): It looks as though the Secretary of State will shortly have a lot more spare time on her hands, perhaps for more sport and physical activity, but that becomes much harder if leisure facilities and swimming pools close because of high fuel costs and reduced footfall. Operators are really worried. What more will the Government do to support local authorities and the rest of the sector as they face the Tory cost of living crisis?

Ms Dorries: The leisure centre sector was supported with £100 million throughout the pandemic. We continue to work, and discuss ongoing issues, with the sector, but I am delighted that we are seeing improvements across all leisure sectors.

T4. [900953] **Mr John Whittingdale** (Maldon) (Con): My right hon. Friend will be aware that yesterday was British IP Day, and that the creative industries for which she is responsible rely on intellectual property protection. Is she aware of the deep concern across the creative industries about proposals to dilute copyright for artificial intelligence, and will she raise the matter urgently with her colleagues in the Department for Business, Energy and Industrial Strategy?

Ms Dorries: I thank my right hon. Friend for his question and for his continued support to me and the Department. Last week, we published our response to the consultation on intellectual property and artificial intelligence, of which I am sure he is aware. Following that consultation, we intend to amend copyright law to make it easier to analyse material for the purposes of machine learning, research and innovation. That will promote the use of AI technology and wider data mining techniques for the public good.

T2. [900951] **Tony Lloyd** (Rochdale) (Lab): Mr Speaker, you will know that the bulk of the nation's cultural treasures are held in London. Many of them do not see the light of day from one year to the next, and they are not even seen by people with access in the south-east. What will the Secretary of State do to make sure that the nation's cultural treasures are spread among the nations and regions?

Ms Dorries: This has been an objective of mine since I first arrived in the Department. Yesterday I visited the British Library, which holds many of the nation's treasures. We want to ensure that collections in libraries, museums and art galleries reach across the country, so that everybody has access to and can see, enjoy and learn from those national treasures. At the beginning of my tenure and recently, I asked every organisation to look again at what they are doing to ensure that that happens.

T5. [900955] **Michael Fabricant** (Lichfield) (Con): My right hon. Friend has already said that the penetration of high speed broadband has gone up in just three years from 6% to 69%, particularly in rural areas. However, is she aware that in parts of Westminster and Birmingham, for example, it is very, very slow? What can we do to speed up urban broadband?

Mr Speaker: Nowhere more so than in the House of Commons. Come on!

Ms Dorries: I am sure Mr Speaker has a response on Westminster, but as of July 2022, London has 81% gigabit coverage. It is an urban area: it is easier to cover and easier to reach homes. Birmingham is at 93%. Those figures are up from just 14% and 21% respectively in November 2019.

T3. [900952] **Rachael Maskell** (York Central) (Lab/Co-op): York is ambitious to make it on to the UNESCO world heritage site tentative list. We will certainly display our many heritage assets and our social history, encouraging inbound tourism to the UK. However, it is a very expensive process. What support will the Department give to help cities like York to make it on to the tentative list?

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): We are looking at the long list of potential future bids for UNESCO world heritage sites. Many people will be surprised that York is not already on the list, for many of the reasons the hon. Lady outlines. I am happy to have a conversation with her. I do not think there is an expectation of financial support, but we should be able to provide support and advice.

T7. [900957] **Duncan Baker** (North Norfolk) (Con): As the Secretary of State knows, we have some fantastic canals and waterways in this country. Many are historic and need protecting. The fantastic volunteers at the North Walsham and Dilham Canal Trust in my constituency do an incredible job. What discussions has the Secretary of State had with the Secretary of State for Environment, Food and Rural Affairs on supporting this country's historic canals and waterways?

Ms Dorries: The Department for Environment, Food and Rural Affairs is working with the Canal & River Trust on the current review of the Government's annual grant funding of the trust, as required by the 2012 grant agreement. The UK's historic canals and waterways represent some of the finest examples of working industrial heritage in the world. They play an important role in the wider visitor economy and as a valuable green space for local communities. Because of their unique social, cultural and economic importance, the Canal & River Trust, an independent charity, benefited from £3.2 million.

Alex Sobel (Leeds North West) (Lab/Co-op): The Government recently introduced a dual registration scheme to support touring trucks, because touring was completely forgotten during the Brexit negotiations. Although we do not have a Minister for this area, can somebody tell me how orchestras that own their own vehicles and do not benefit from the scheme for small-scale operators will be able to operate in this area, helping our creative industries?

Ms Dorries: A huge amount of work has gone into touring, as the hon. Gentleman knows. I am sure that he will be delighted with the recent announcement from Greece that it will, along with Spain and others, open up and allow our musicians and artisans to tour across the EU. Negotiations are taking place on a daily basis and problems are being resolved as we move forward.

David Simmonds (Ruislip, Northwood and Pinner) (Con): The Hillingdon outdoor activities centre at Harefield in my constituency has given generations of children the opportunity to experience new sports. What plans does my right hon. Friend have to ensure that more children can benefit from such opportunities in future?

Ms Dorries: The Government encourage everyone, no matter their age, to be as active as they can be. We recognise that outdoor activities centres provide opportunities for all members of society to be active. Outdoor activities centres were supported through the pandemic by Government assistance, such as the furlough scheme, and there is a range of programmes, including the National Citizen Service and the £80 million green recovery challenge, with delivery partners that include outdoor activities centres.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I know the Secretary of State to be a great survivor. If she does survive, will she look again at her terrible war against public service broadcasting—Channel 4 and the BBC?

Ms Dorries: I am disappointed with the hon. Gentleman's question. We have worked together for 18 years, and I have no war. I have two objectives: to ensure that both Channel 4 and the BBC survive and that they are fit for the ever-changing broadcasting landscape. With the greatest respect, I say to him that we need to be aware of how the landscape is changing at warp speed.

Sarah Atherton (Wrexham) (Con): As has been mentioned, the Commonwealth games are fast approaching, allowing athletes from Wales to display their proud individualism under our great Union. Will my hon. Friend the Minister join me in congratulating Jacob Edwards from Olympus Gymnastics in Wrexham, and wishing him all the best as he represents Team Wales?

Nigel Huddleston: I am absolutely delighted to wish Jacob Edwards the best of luck. Of course, the nations compete separately in the Commonwealth games, so there is an England, Northern Ireland, Scotland and Wales dynamic that we do not have in the Olympics. I wish all nations the best of luck.

Clive Efford (Eltham) (Lab): The Secretary of State was very upbeat in her response to the Opposition Front Bench, my hon. Friend the Member for Manchester, Withington (Jeff Smith), who asked about local authority leisure centres. They are in financial distress because of the rising costs of energy, and that is particularly true of those that run swimming pools. Is the Secretary of State saying that they are safe for the future, and if so, how is she securing that?

Ms Dorries: The cost of living challenge—in terms of energy costs, which we all face across all sectors—is a problem that the Government are addressing. We supported the leisure sector throughout the pandemic. Conversations are taking place with sectors about the problems that they face and the solutions that the Government can help to find.

ATTORNEY GENERAL

The Attorney General was asked—

Access to Justice for Victims of Crime

1. **Tony Lloyd** (Rochdale) (Lab): What recent assessment she has made of the effectiveness of the CPS in ensuring access to justice for the victims of crime. [900960]

The Attorney General (Suella Braverman): Before I answer question 1, may I take the opportunity to pay tribute to my superb hon. and learned Friend the Member for Cheltenham (Alex Chalk)? He was quite simply an excellent Solicitor General, who took the difficult decision to resign from the Government this week. He was an absolute honour and pleasure to work with, a brilliant lawyer, a dedicated Member of Parliament and a shining example of the highest standards of public service.

Victims are not spectators. They have the right to be informed of their case and to be supported. That is why the Government are increasing funding for victim and witness support services to £192 million by 2024-25, which represents an uplift of 92% on core budgets in '20-21. A large proportion of that funding has been allocated to police and crime commissioners to commission local victim support services. For '22-23, the Ministry of Justice allocated about £5.2 million to the Greater Manchester PCC, to support services.

Tony Lloyd: I am bound to welcome any extra resources to support victims. Nevertheless, victims and their families are still treated in an appalling fashion in too many cases. Cases that do not come to court, trials that are cracked and all the things that go wrong give victims the impression that they are simply an adjunct to the process. What is the Attorney General seriously going to do about it?

The Attorney General: Well, I think that the Government have already acted in a significant way to put victims front and centre in our criminal justice system so that justice is secured for them. For 2021-22, the Ministry of Justice has provided £150 million for victims and witnesses alone, whether that is with more independent sexual violence advisers, who are game-changing in the victim experience—victims have told me personally how transformative the presence of an ISVA can be to their experience through the criminal justice system—or with the £20 million for local community-based sexual violence and domestic abuse services. I am very proud of the track record of this Government on supporting victims.

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

Sir Robert Neill (Bromley and Chislehurst) (Con): I join the Attorney General in her tribute to my hon. and learned Friend the Member for Cheltenham (Alex Chalk), whose service was absolutely outstanding and exceptional. He departed his post with great honour and with the respect of this House, the profession and the judiciary.

I thank the Attorney General for what she says about victims. It is clear that the Government have done a great deal. However, I am sure she is aware that in the course of the Select Committee's prelegislative scrutiny

of the welcome draft Victims Bill, we have heard evidence that—as the hon. Member for Rochdale (Tony Lloyd) said—although there is good work, there is still patchiness in the provision of services for victims in many areas. The draft Victims Bill is a real opportunity to improve that and ensure a much more consistent approach. May I ask the Attorney General for an undertaking that the Government will look with care at the recommendations that we make as a result of that prelegislative scrutiny?

Mr Speaker: That was very long!

The Attorney General: My hon. Friend makes an important point about the forthcoming Victims Bill. I am proud that the Government are introducing specific measures to transform victims' experience of the criminal justice system. The Bill will pursue measures to improve victims' experiences; we are looking at what more can be done to ensure that the victim's voice is heard, both pre and post charge. I am particularly proud of the victims code, which came into force last year and is a real reflection of our commitment to victims.

Mr Speaker: I call the shadow Attorney General.

Emily Thornberry (Islington South and Finsbury) (Lab): May I say what an honour it is to be at this Dispatch Box facing the next Prime Minister as she awaits her call from the palace? It is a true honour, although colleagues will have noticed that in her list of leadership priorities last night the Attorney General had absolutely nothing to say about tackling the epidemic of crime in our country or ending the culture of lawbreaking in our Government, both of which have flourished on her watch. What she did say last night, however, was that we need to

“shrink the size of the state”.

I ask the Attorney General a very simple question: in percentage terms, what size of staffing cuts does she plan to make to the Crown Prosecution Service, and what will that mean to the record backlogs that our courts currently face?

The Attorney General: I know that the right hon. Lady loves to degrade these question sessions to petty politics. I am not going to lower myself to her standards; I am here to talk about victims and what we are doing to secure justice for vulnerable people. I am very proud of the financial settlement that this Government have put into the CPS, increasing the number of prosecutors. Notably, in the past 12 months alone there have been 115 more RASSO-trained prosecutors in place to work specifically to support victims.

Mr Speaker: We now come to the SNP spokesperson.

Anne McLaughlin (Glasgow North East) (SNP): The Scottish Government are investing an extra £4 million this year to tackle violence against women and girls and offer greater support for victims' needs. The Crown Office budget in Scotland is more than 40% higher than at the start of the last Parliament, supporting a range of improvements and modernisation processes. Does the Attorney General welcome that? Does she agree that more funding should be made available across the UK for greater access to justice for victims? Will she consider putting that in her prime ministerial manifesto?

The Attorney General: The hon. Lady has raised some good points. Over the last two years, however, there has been a sea change in what the Government have been doing to tackle violence against women and girls. We now have more data, with localised data dashboards and scorecards shining a light on how different parts of the country are performing in relation to RASSO—rape and serious sexual offences—and indeed all crime, and how they are recovering from covid.

As I have said, I am proud of the victims code, which contains 12 rights for victims which will be enshrined in statute—for instance, a right for victims to be referred to the relevant support services, a right for victims to have access to the relevant information, and a right for victims to make a personal statement in court. Those are meaningful changes that this Government have introduced, and I am very proud of that.

CPS in Mid-Wales

2. **Craig Williams** (Montgomeryshire) (Con): What recent assessment she has made of the performance of the Crown Prosecution Service in Mid Wales. [900961]

The Attorney General (Suella Braverman): I visited the CPS in Wales in February and was pleased to be able to speak to the hard-working and dedicated prosecutors about their work, which has also been praised in a recent report from the CPS inspectorate. I know that the hon. Member had a productive meeting with the Chief Crown Prosecutor for Wales recently, and I hope he will join me in commending the area for its strong performance in recovering from the backlog.

Craig Williams: I thank the Attorney General for her answer, and it is good to see her in her place. I also pay tribute to Jenny Hopkins, the Chief Crown Prosecutor for Wales. As the Attorney General said, I met her recently, and she and her team are doing a terrific job. However, the court backlog in Mid Wales—rural Wales—is still quite spectacular. What is the Attorney General doing to deal with the problem?

The Attorney General: The data, to which we now have unprecedented access, shows that when it comes to recovery from covid and court backlogs, the CPS in Wales and the local criminal justice board have performed exceptionally well. Huge resources have been put into court recovery, which is why the magistrates court backlog in the CPS Wales area was the first to recover from the impact of covid, with live caseload numbers falling to below pre-covid levels in December 2021.

I successfully personally presented a case at the Court of Appeal, sitting at Cardiff Crown court, which resulted in an increase from 13 years to 20 years and seven months, with an extended licence period of five years, in the prison sentence given to Stephen Gibbs for an attempted murder. I was delighted and honoured to be in court in Wales.

Rape Prosecution Rates

3. **Scott Benton** (Blackpool South) (Con): What steps she is taking to increase prosecution rates for rape. [900962]

7. **Mrs Flick Drummond** (Meon Valley) (Con): What steps she is taking to increase prosecution rates for rape. [900966]

The Attorney General: We are united in our combined efforts, across Government, to improve performance for victims and increase the number of successful rape cases that go through our courts. Since we published our rape review action plan, there has been a steady increase in the number of rape charges, prosecutions and convictions quarter on quarter. We are closing the gap between complaints and convictions. Most notably, the number of convictions for rape offences is up by 27% on the number in 2019.

Scott Benton: In Lancashire, our brilliant police and crime commissioner, Andrew Snowden, is funding a variety of projects to reduce the number of rape and serious sexual offences. They include dedicated specialist support services for victims, and Operation Night Guardian, which focuses on the night economy. How is the CPS in Lancashire working alongside our police and crime commissioner to improve the rates of conviction for these abhorrent crimes?

The Attorney General: I am pleased to report that CPS North West is in an Operation Soteria area. Operation Soteria, which was introduced recently under this Government, is an ambitious joint police and CPS programme of work to transform the way in which rape prosecutions are handled. It will provide a renewed focus on investigating the suspect rather than the victim, and will ultimately create a new operating model for the investigation and prosecution of rape. We are pleased to be seeing the green shoots of progress nationally: the number of rape convictions has increased by 29% compared with the last quarter pre-covid.

Mrs Drummond: I have a constituent whose sperm was used without his consent by his ex-partner so that she could become pregnant. The police have looked at the case and passed it to the CPS, which says that the law does not allow it to deal with the offence as any kind of sexual assault. Will my right hon. and learned Friend look at the law? This is not just “sperm theft”, but a form of sexual assault and a violation of my constituent’s rights.

The Attorney General: My thoughts are very much with my hon. Friend’s constituent. That sounds like a very traumatic affair. I want to thank her for raising this case. I know that she has already received a reply from my Department setting out the reasons why the CPS could not proceed with this particular case. The CPS looked at all the facts of the case carefully and considered all the available offences under current legislation before determining that no offence had been committed under current law. I will raise the case with my colleagues in the Ministry of Justice so that they might look at the existing statutory framework.

Ruth Cadbury (Brentford and Isleworth) (Lab): Since the Supreme Court reversed the *Roe v. Wade* judgment, a 10-year-old girl in Ohio who is pregnant as a result of rape has been forced to travel to Indiana from her home state for an abortion, which she could not get locally. Will the Attorney General condemn the appalling cruelty

that has resulted, and will result, from the Supreme Court ruling? Will she also condemn the Conservative MPs who celebrated it on social media?

The Attorney General: I do not think it is the right of a UK Government Minister to comment on a judicial decision in another jurisdiction such as the United States. That is a matter for the United States Supreme Court and the United States Congress to resolve. What I am focused on is the experience of victims in Britain and Wales and how we can improve our criminal justice system. That is why I am very proud of the achievements that we have secured. I am very proud that, for example, the CPS prosecuted 430,000 defendants last year on a whole suite of offences, including 69 alleged terrorists, 33 of whom were convicted, and 19,000 serious violence offences, with a conviction rate of almost 75%. Those are the statistics, the facts and the policies on which I am focused.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Is the Attorney-General proud of her achievements when the delay between offence and completion in rape cases is now more than 1,000 days and there are 50 UK Crown courts with delays of more than three years and 18 with delays of more than four years? Does she agree with the Victims Commissioner that these delays are appalling? Could she take time out from her leadership campaign to look at bringing in pre-recorded evidence and cross-examination in all rape cases in all Crown courts now?

The Attorney General: Actually, what we are seeing as a result of pioneering operations such as Soteria is a closer collaboration between police and prosecutor. What we know works is when a prosecutor has a good, clear case strategy, has a grip of the case and has properly identified the challenges, and when the police are supportive and involved in the investigation. Close collaboration, early investigative advice and support for the victim is what will cut down the timelines and ensure that victims get justice in a swifter way. That is why I am very proud of the section 28 roll-out.

Andy Slaughter (Hammersmith) (Lab): The last time we debated this issue in this Chamber, the Attorney General told me that

“any allegation of domestic abuse or sexual assault on victims is horrendous. On no account does anyone in this Government condone that behaviour.”—[*Official Report*, 26 May 2022; Vol. 715, c. 414.]

So why did the Attorney General not call for the Prime Minister’s resignation when she found out that he had turned a blind eye to an allegation of sexual assault by one of his own Ministers, but did call for his resignation to launch her bizarre leadership campaign live on TV last night? Does that not just sum up how she has debased the office she holds and put political ambition before the rule of law?

The Attorney General: The hon. Gentleman could have asked about domestic abuse victims; he could have asked about RASSO; he could have asked about crime prevention and keeping the British people safe. Instead, he used his opportunity to score cheap political points—[*Interruption.*]

Mr Speaker: Order. Front Benchers should not be shouting after asking the question. Let’s get this done and move on.

The Attorney General: When it comes to domestic abuse, our landmark Domestic Abuse Act 2021 is strengthening protection for victims and ensuring that perpetrators feel the full force of the law. It includes the first legal definition of domestic abuse, it improves support for victims in the courts, it introduces new offences and it strengthens the legislation precisely for victims of domestic abuse. It is a pity he did not want to talk about that.

Disclosure Between All Parties in Criminal Justice System

4. **Mike Wood** (Dudley South) (Con): What recent steps she has taken to improve the efficiency and effectiveness of disclosure between all parties in the criminal justice system. [900963]

The Attorney General (Suella Braverman): We published the review of disclosure and the amended disclosure guidelines in May to deliver improvements for police, prosecutors and victims of crime. The new guidelines feature an annex on data protection that will ease the burden on police handling of digital material and will leave the police more time to be on the street, fighting and investigating crime. I am pleased with how the guidelines have been received by the profession throughout.

Mike Wood: What impact does the Attorney General expect her guidelines, published in May, to have on the CPS’s decision making and prosecution of sex offences?

The Attorney General: My hon. Friend raises a real priority for the Government. These guidelines will mean fewer unnecessary intrusions into a victim’s private life and more interactions with victims to help them understand the process. All of this will mean that victims are more engaged, there is less attrition and the process is swifter but just as effective. It is unfortunate that some Labour Members have promoted an incorrect understanding of what these guidelines mean.

Covid-19 Related Contracts Awarded by DHSC: Potential Fraud Losses

6. **Neale Hanvey** (Kirkcaldy and Cowdenbeath) (Alba): What recent discussions she has had with the Serious Fraud Office on the potential level of fraud losses arising from covid-19 related contracts awarded by the Department of Health and Social Care. [900965]

The Attorney General (Suella Braverman): There have been no prosecutions by either the Serious Fraud Office or the Crown Prosecution Service of frauds connected to covid-19 contracts awarded by the Department of Health and Social Care. However, I can neither confirm nor deny whether the Serious Fraud Office is investigating any frauds relating to those contracts. This Government rightly took swift action at the height of the pandemic and, thanks to the excellent work of this Government, including Government lawyers, we have successfully defended the majority of our coronavirus-related litigation.

Neale Hanvey: The secrecy on VIP lane contracts is emblematic of the loss of trust and transparency in this Government. Over the last 48 hours, Conservative Members have repeatedly stated the importance of integrity and honesty. As Prime Minister, will the Attorney General finally lift the veil of secrecy, publish the full details of VIP lane contracts and refer the matter to a committee or authorities, as necessary?

The Attorney General: A lot of covid-related litigation has gone through our courts, and there has been a lot of scrutiny of the Government's decision making and actions during the pandemic. I am pleased to say that the Government were successful in the majority of cases, with our decision making being upheld and found to be lawful.

Mr Speaker: Before I call Barry Sheerman, I note that he wishes to raise the case of his late constituent Ms Katelyn Dawson, who is the subject of an open and adjourned inquest. I am exercising the discretion given to the Chair in relation to matters that are sub judice to allow reference to the case as part of the question and answer.

Vulnerable Road Users Killed by Dangerous Driving: Prosecutions

8. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): If her Department will take steps to increase the number of prosecutions for individuals who have killed vulnerable road users by dangerous driving. [900968]

The Attorney General (Suella Braverman): I am aware of this tragic case in the hon. Gentleman's constituency, and I take this opportunity to offer my deepest condolences to Katelyn's family and friends. I thank the hon. Gentleman for his tireless campaigning, over many years, on all road safety issues. He has been a leader in this field.

Like the hon. Gentleman, I recognise the devastating impact that fatal road traffic accidents and collisions can have on families and victims, which is why, under the Police, Crime, Sentencing and Courts Act 2022, this Government increased the maximum penalty to life imprisonment for the offences of causing death by dangerous driving and causing death by careless driving when under the influence of drink or drugs. Last year, the CPS charged more than 650 defendants in relation to fatal road traffic accidents, bringing the total number of charges back in line with pre-pandemic levels.

Mr Sheerman: I have been around long enough to be one of the people who introduced the seatbelt legislation that banned children from travelling unrestrained in cars.

I was not going to talk about specifics, Mr Speaker, although you were very kind to mention the case in my constituency. I am very worried that, across the country, an increasing number of families have had a family member killed by a driver and then, because a lot of people are able to hire very expensive lawyers who can argue things like automatism—that they were not in control of their body or faculties at the time of the accident—the CPS is increasingly frightened into not prosecuting. That is my worry. Can we do something about it?

The Attorney General: It is tragic; there are simply no words for the situation that the hon. Gentleman sets out. Ultimately, fairness sits at the heart of our justice system. Therefore, the same threshold is used for all offences—deciding whether to prosecute in fatal road traffic cases or murder cases. That is set out in “The Code for Crown Prosecutors” and has remained the same since the CPS was formed in the 1980s. It sets out a two-stage test, with which many people here will be familiar. A case will proceed only where both stages of the test are met. It always comes down to the evidence and the public interest, and I am very happy to talk to him about what more can be done, operationally or in the state of the law, to remedy the problem he identifies.

Speaker's Statement

10.35 am

Mr Speaker: Before we start the urgent question, I wish to make a short statement. Clearly, this is a day when there are lots of important developments happening outside the Chamber, and the situation is fast-moving. However, it is important that the House is kept informed of developments in a timely and authoritative way. There are legitimate questions requiring answers about the functioning of government over this turbulent period, which is why I have granted the UQ we are about to hear. I remind all Members that conventions and courtesies are here for a purpose: they allow us to discuss the most important issues without resorting to personal attacks. That is why I encourage all Members to remember that our constituents are watching events closely. Let us focus on the big issues, not the personality. I call the deputy leader of the Labour party, Angela Rayner, to ask the UQ.

Functioning of Government

10.36 am

Angela Rayner (Ashton-under-Lyne) (Lab: (*Urgent Question*)): To ask the Minister for the Cabinet Office, if he will make a statement on the functioning of Government.

The Minister for the Cabinet Office and Paymaster General (Michael Ellis): Mr Speaker, as the House will be aware, it is widely reported that the Prime Minister is about to make an important statement shortly. I can confirm that it is correct that the Prime Minister will speak shortly. I cannot pre-empt the Prime Minister's statement, and the House and the nation will hear more imminently. In the meantime, the business of Government continues, supported in the usual way by our excellent civil service. There will continue to be Ministers of the Crown in place, including in all great offices of state. We must continue to serve our country, constituents and the general public first and foremost. It is our duty now to make sure the people of this country have a functioning Government. That is true now more than ever.

The civil service is the foundation on which all Governments function. The civil service continues to support across all Government Departments, and the country can be assured that that will always remain the case—I have spoken this morning to the Cabinet Secretary to that effect. Any transitional arrangements have always been made to allow for the business of Government to continue. There are constitutional mechanisms in place to make sure that that can happen. We await the Prime Minister's statement, but the House should be reassured that the Government continue to function in the meantime. Any necessary ministerial vacancies can and will be filled; other Secretaries of State can make decisions if necessary. There is a rich reserve of people who are both dedicated and talented, and who remain dedicated to serving our country and their constituents. Calmness and professionalism are now required. Our focus now is fully on the stability and continuity of Government. Now is the time to serve in the interests of our country, as it always is, and of our constituents during the period ahead.

Angela Rayner: I hate to break it to the Minister, but we do not have a functioning Government. It would be good news for the country that the Prime Minister is to announce his resignation; he was always unfit for office. He has overseen scandal, fraud and waste on an industrial scale, but the chaos of the last three days is more than just petty Tory infighting. These actions have serious consequences for the running of our country. In the middle of the deepest cost of living crisis for a generation, with families unable to make ends meet, a dangerous war in Europe threatening our borders and a possible trade crisis in Northern Ireland, Britain has no functioning Government: no Ministers in place to pass legislation; and Bill Committees cancelled with no one to run them.

Can the Minister confirm whether the 11 Committees due to take place today will go ahead? Without Ministers, what are the arrangements to pass primary and secondary legislation, and who will answer oral questions? How will this Government continue to be democratically held to account? With the new Education Secretary resigning after 36 hours, which must be a record, there is not a single Member in the Department for Education.

What does that mean for children taking their exams? What does that mean for the impending childcare cost crisis?

Our British national security is at risk, too, not least because the Prime Minister thinks that he can stay on. With the departure of the Northern Ireland Secretary, only two Ministers are left able to sign security warrants to approve secret service use of sensitive powers. What contingency plans are in place to deal with emergencies in the short term?

The Prime Minister has said that he will stay on as caretaker. How many more months of chaos does this country have to endure? With dozens of ministerial posts unfilled, who on earth will join the Prime Minister's Government now and how will a half-empty Cabinet run the country until October? Mr Speaker, they will try desperately to change the person at the top, but it is the same old Tory party in government.

Michael Ellis: I cannot pre-empt the Prime Minister's statement. The House and the nation will hear more very shortly, but Government and the civil service will continue to function in the meantime. The Business of the House statement will be made shortly, and Members can ask questions of the Leader of the House about the business of this place. The House will continue to function, and Government business will continue to function. Others Secretaries of State can deal with issues for other Departments, constitutionally and legally, in necessary circumstances.

Mr John Whittingdale (Maldon) (Con): Without wishing to pre-empt the Prime Minister's statement, does my right hon. and learned Friend agree that he can be proud of a large number of achievements of his Government? May I invite my right hon. and learned Friend to pre-empt the Opposition by making it clear that Margaret Thatcher, David Cameron, Tony Blair and Theresa May all left office and were succeeded by new leaders and new Prime Ministers without a general election and that the ship of state sails on?

Michael Ellis: My right hon. Friend is, of course, completely correct.

Richard Thomson (Gordon) (SNP): As I came into the Chamber, we were at 59 resignations and counting. A remarkable amount of leadership was shown by the junior ministerial ranks rather than by many of the Cabinet. I have been longing, since I was elected, for a Cabinet of remainers, but not necessarily of the kind that we have seen, clinging like limpets to a rock.

Today's announcement from the Prime Minister of his intention to resign comes after two years and 348 days in office, which, by supreme irony, is the same number of days as Neville Chamberlain spent in office as Prime Minister. It is a Prime Minister who achieved Brexit under false pretences, purely as part of his game to achieve entry to Downing Street. In that two years and 348 days, he has left behind a trail of political chaos and economic destruction, leaving any reputation that the UK might have retained as a reliable international partner that stands up for the international rules-based order trampled into the dust. We regularly in Scotland have to put up with patronising lectures about how well our Government are performing, yet in Westminster we have a Department for Education with no Education

Ministers, six police forces in England under special measures and a Government who seem utterly paralysed and unable to deal with the major issues of the day. The idea that the Prime Minister can stay on and preside over this until the autumn is utterly risible. How long can this farce be allowed to continue, and how is it right that 300 Tory MPs will get to choose the next Prime Minister over that time while denying the right of 5.5 million Scots to choose their own future?

Michael Ellis: The Government and the civil service will continue to function in the meantime, as they always have done and as they have done historically.

Sir Christopher Chope (Christchurch) (Con): I thank the Prime Minister for his great service to our nation and to the people of Ukraine. I think people will rue the day he was forced to resign. Is there not a lot to be said for having a smaller Cabinet, fewer Ministers and hardly any parliamentary private secretaries? Can we have a pilot to show how successful that will be?

Michael Ellis: My hon. Friend makes a perfectly interesting point, but it is somewhat outside the range of my responsibilities.

Dame Angela Eagle (Wallasey) (Lab): I have a list here of all the resignations from Government. I will not read them out, but there are plenty of tasty quotes in there that will be of use later on. The Minister cannot sensibly argue that we have a functioning Government when this number of people are missing. There are no Ministers to do statutory instrument Committees and legislation even as we speak. What is the way forward? He cannot just blather at the Dispatch Box when the Government are disintegrating around him.

Michael Ellis: The business of the House of Commons will continue. There are Ministers to continue in place. I cannot pre-empt the Prime Minister's statement, but I have spoken to the Cabinet Secretary today and the Government and civil service will continue to function in their public duty.

Sir Robert Neill (Bromley and Chislehurst) (Con): I am grateful to my right hon. and learned Friend and have great sympathy for the position he finds himself in. He and I have had to take some pretty rough cases in court in the past, and he has drawn a few short straws recently in that regard—and done so with dignity, if I may say so. May I ask him just to take this away? Whatever one's views on the Prime Minister, and while I accept the importance of the continuity of the Government and the fact that there is no need for a general election at all—there is plenty of precedent for that—will my right hon. and learned Friend take away the serious question mark that many have about how long a caretaker Prime Minister can remain in place when there is real concern about whether the Government can be fully and effectively back? Might it not be in everybody's interest to speed up the transition as much as possible?

Michael Ellis: I thank my hon. Friend for his kind remarks. He is right, of course, that a general election is not constitutionally necessary; the Prime Minister was

[Michael Ellis]

before the Liaison Committee yesterday and said as much. We will await events, but I cannot pre-empt the Prime Minister's statement.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I am delighted to hear the Minister speaking positively about the role of the civil service. That contrasts rather well with the way the Government in recent years have done nothing but traduce and undermine its position. I must say that the Prime Minister cannot remain as a caretaker. That is just putting the bull in charge of the china shop. This is not all about Ministers and politicians; it is about our constituents and the public services on which they depend and which, for months now, this Government have been unable to deliver properly for them. That is why they all need to go.

Michael Ellis: The substantive matter that the right hon. Gentleman mentions is not a matter for me, but I will say that Ministers on this Bench and in this House will serve the Crown and this country, as they always have.

Aaron Bell (Newcastle-under-Lyme) (Con): I thank my right hon. and learned Friend for his statement. Without wishing to pre-empt the Prime Minister, I am glad he has finally come to his senses and will be making his statement shortly. I am very sad that in the past 48 hours so many right hon. and hon. Friends have felt the need to resign from Government. If those people will not serve this Prime Minister, may I ask my right hon. and learned Friend to convey to the Prime Minister that it will not be tenable for him to continue as caretaker if he cannot fill the ministerial appointments he needs to?

Michael Ellis: I am sure that my hon. Friend's comment has been noted.

Sir Stephen Timms (East Ham) (Lab): It is a great relief that we will no longer have a Prime Minister who keeps on saying things that subsequently turn out to be untrue. Will the Minister reassure us that the change will take place in hours, not months, and does he recognise that effective democracy depends on Ministers telling the truth?

Michael Ellis: I can only say that the Prime Minister will make a statement shortly.

Dr Matthew Offord (Hendon) (Con): The hollow resignations by those who enthusiastically supported decisions such as voting for Owen Paterson show how they were unfit to serve as Ministers in the beginning. But the governance of this country cannot be allowed to fail, so when are these vacancies going to be filled? They must be filled immediately and we cannot allow decisions to be made by other Secretaries of State from other Departments. The country deserves better than that.

Michael Ellis: The Government will continue to function, and I have spoken to the head of the civil service to that effect.

Dr Rupa Huq (Ealing Central and Acton) (Lab): *The Independent* reports that the PM and Tory Ministers

resigning are entitled to £420,000 of severance pay. At the same time we have a Government gripped by paralysis and we have a cost of living crisis. Can the Minister confirm that they will be forfeiting their right to this, because we do not reward failure?

Michael Ellis: The matter that the hon. Lady refers to is set in statute, so it is a matter for the law, and that law would have been passed by this House.

Rachel Maclean (Redditch) (Con): It was an enormous honour to serve as a Minister in the Home Office until yesterday, tackling violence against women and girls. I know that is a cause that all Members of this House care deeply about. While we are discussing these matters, victims of rape, sexual assault, stalking and spiking continue to deserve justice and they will continue to be victims of crime. Will my right hon. Friend give his continued support to the vital work of Operation Soteria and the rape review. Will he join me in putting on record my thanks to Detective Chief Constable Maggie Blyth, Chief Constable Sarah Crew, Assistant Commissioner Louisa Rolfe and many other serving senior police officers who I know will capably continue to drive forward this work? Will he also thank the civil servants in the Home Office who I know will continue to do this essential work?

Mr Speaker: I understand it is good to get that on the record but there are a lot of other people I have got to try and get in.

Michael Ellis: I will do as my hon. Friend says. I commend her for her championing of this very important area. The rape review and the work thereof should of course continue.

John Cryer (Leyton and Wanstead) (Lab): There have been times occasionally when Prime Ministers have been temporarily incapacitated. There has never been a period in British history where a Government have been incapacitated across every Department of State. We have just heard how the secret services are being undermined by the current situation, putting national security at risk. At what point are the Government going to actually start functioning again?

Michael Ellis: The Government are functioning. I have already mentioned to the House that the great offices of state are still in place. The hon. Gentleman refers to our security and intelligence services. The Home Secretary and the Foreign Secretary are in place.

Mike Wood (Dudley South) (Con): What provisions are being put in place for the continuing operation of the EU-UK Partnership Council and the specialised committees over the coming months?

Michael Ellis: I think my hon. Friend knows that I attended a meeting of the EU-UK Partnership Council in Brussels recently. The functions of Government, including in the international sphere, will continue apace.

Tony Lloyd (Rochdale) (Lab): Before the House—before both Houses—there are two major Bills affecting Northern Ireland. The Northern Ireland Protocol Bill is about the Prime Minister's own decision, while the Northern Ireland Troubles (Legacy and Reconciliation) Bill is very much

the now-resigned Secretary of State's province. Can we have absolute clarity, at this critical moment in the history of Northern Ireland and its relations with both the rest of the UK and Ireland, that we will get some sense from this Government about how we take these important matters forward?

Michael Ellis: I am particularly conscious of the Northern Ireland Protocol Bill, to which I think the hon. Gentleman is referring. The Leader of the House will be doing the usual business questions session soon in this House.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): This latest Conservative party psychodrama only emphasises what many of us already know: the UK is a failed state. This Government have shown contempt for devolution. The Prime Minister's successor will treat the electorate of Wales with the same disdain, and in this Palace the circus will roll on. Does the Paymaster General not recognise that surely now is the time for a new constitutional settlement for these islands?

Michael Ellis: The right hon. Lady frequently traduces this country. I disagree with her—I could not disagree with her more strongly. She has a separatist agenda, of course, and she wishes for the country to split, but in my view this country is the greatest country on earth.

Dame Diana Johnson (Kingston upon Hull North) (Lab): On the anniversary of 7/7, security is of paramount importance to all in this House. With no Security Minister, a depleted Cabinet and a Home Office that was struggling prior to this chaos, what assurances can the Paymaster General give us that the intelligence agencies are receiving all the full ministerial and legal engagement and sign-off in a timely way to keep us all safe?

Michael Ellis: I cannot discuss the security arrangements of this country from the Dispatch Box, but the Secretary of State for the Home Department is in place and is responsible for the arrangements appertaining to the security services of this country.

Sarah Owen (Luton North) (Lab): I suggest that the Paymaster General look up the meaning of “functioning”, because his Government are not it. Will the Paymaster General confirm whether the now former Secretary of State for Education, the right hon. Member for Chippenham (Michelle Donelan) will be getting the standard severance package for Secretaries of State of three months' salary for a job that she did for just 36 hours?

Michael Ellis: Matters such as pay and remuneration are set in statute and are not a matter for me.

Kim Johnson (Liverpool, Riverside) (Lab): The Members of Parliament who have eventually forced out the Prime Minister and who blindly stood by him during the no confidence vote have not miraculously found their principles or their voices, but are doing so out of their own naked self-interest. Does the Paymaster General agree that a damaged and failing Prime Minister should go immediately and not hang around like a bad smell until the Tory conference in the autumn?

Michael Ellis: I cannot pre-empt the Prime Minister's statement, but the business of Government will continue functioning as normal.

Alison Thewliss (Glasgow Central) (SNP): It is good to see the Paymaster General here—one of the last remaining living crew on the ghost ship HMG. In an effort to assist the burden of the skeleton crew who remain, we would like to arrange for the signing of a section 30 order to begin the process of moving some of the functions of government to a fully functioning set of Ministers in Holyrood.

Michael Ellis: No matter who forms the Government of this country, the Union of the United Kingdom of Great Britain and Northern Ireland is of paramount importance, as the people of Scotland themselves decided in the referendum in 2014.

Matt Rodda (Reading East) (Lab): The current situation is clearly unsustainable. As we heard earlier from my right hon. Friend the Member for Ashton-under-Lyne (Angela Rayner), it is damaging crucial decision making and harming our reputation abroad. Could the Paymaster General please take this back to the Prime Minister, urge an urgent resolution and inform the House as soon as possible?

Michael Ellis: The Prime Minister will be speaking shortly.

Olivia Blake (Sheffield, Hallam) (Lab): Clearly the idea of the Prime Minister continuing as a caretaker will be worrying many people, but it is interesting to hear from the BBC that MPs are privately briefing that they are worried, perhaps half-jokingly, that the PM might take us to war to avoid leaving office. What will be done to ensure that the Opposition can hold to account a caretaker Prime Minister who has lost the faith of the country and his Government?

Michael Ellis: I recommend to the hon. Lady that she does not listen to gossip and rumour. The fact of the matter is that responsible government in this country will continue.

Ian Mearns (Gateshead) (Lab): With the resignation this morning of the Secretary of State for Education, following that of her entire Commons ministerial team, the Education Committee did not even have the chance to ask about her plans. It has become abundantly clear to almost the entire population that for months, if not a few years, the only functioning cabinet in No. 10 Downing Street has been the drinks cabinet. When will the remnants of the Government Front Bench team accept that they have been in collective denial for far too long?

Michael Ellis: I think the hon. Gentleman asked a rhetorical question, but I will say that the Government will continue to function as the country would expect.

Naz Shah (Bradford West) (Lab): I am looking at many Tory MPs in the Lobby and everywhere using the word “sadness”, but each and every one of them upheld the Prime Minister and let him carry on. He should have resigned when partygate happened, when Durhamgate happened, when his ethics adviser resigned—he should

[Naz Shah]

have resigned a long time ago. Each and every one of them kept him here and now they are trying to take the moral high ground when he is finally on his way out. I will not feel sorry for them. Mr Speaker, how can the Opposition hold Ministers to account when there is not a governing Government?

Mr Speaker: It is not for me to answer.

Michael Ellis: The people who put the Prime Minister in place are the 14 million people who voted for the Conservative party at the general election.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): This is one of the greatest crises that any of us can remember. In the national interest, surely we should work across the Benches to sort it out, even for the short period until recess. I do not want any laughter, but I have a great deal of experience in education. There is no Education Minister, so on a short-term basis, I would be happy to help. [Laughter.] Unpaid! Our constituents would want us to work together across the Benches, to forget these petty politics and to get the Government working again.

Michael Ellis: I thank the hon. Gentleman, but his services are not required, because there are a plethora of talented and dedicated individuals on the Government Benches who will serve in the Government.

Steven Bonnar (Coatbridge, Chryston and Bellshill) (SNP): For many people in Scotland, the outgoing Prime Minister is Westminster personified: backward, unfit for purpose, delusional and in disgrace. Just like the Union that he is the Minister for, the Prime Minister is isolated, broken and bereft of ideas. His time is up. The party is over. Can the Minister tell me whether there will be a leaving do in No. 10 tonight? We will be raising a glass in Coatbridge, Chryston and Bellshill.

Michael Ellis: I do not think a serious answer is expected to that frivolous question.

Andy Slaughter (Hammersmith) (Lab): Given that a majority of Government MPs now say that the Prime Minister lacks the integrity and honesty required for that post, can the Minister explain what the basis is for the Prime Minister to stay in post for a further three months?

Michael Ellis: I recommend that the hon. Gentleman awaits the statement that is due from the Prime Minister shortly.

Margaret Greenwood (Wirral West) (Lab): The Minister will be aware that our constituents contact us about extremely important matters when they have explored every other avenue to get a resolution to their problems, and we then write to Ministers on their behalf. I am concerned on their behalf about what this situation means, not only for the casework that we have already sent to Ministers, some of which is of extreme importance for people's health and survival, but for future casework. It is untenable that the Prime Minister should stay on until the autumn, so will the Minister please explain

how we can have a situation where there is no functioning Government but the Prime Minister thinks that he can stay on?

Michael Ellis: There is a functioning Government and a functioning civil service, which will continue to do its duty in supporting the operation and functionality of the state as it always has.

Ms Karen Buck (Westminster North) (Lab): The Government are telling us not to worry about whether a Government elected with a majority of 80 two years ago can carry on functioning because we have the civil service, but levelling up is a Government priority. The Levelling-up and Regeneration Bill is before the House of Commons at the moment. If the Government are functioning, can the Minister tell us whether the Committee is going ahead in 26 minutes' time?

Michael Ellis: There is a business of the House statement in the usual way, and the hon. Member will be able to ask that question of the Leader of the House of Commons.

Sam Tarry (Ilford South) (Lab): The Minister speaks about responsible government, yet we have had nearly three years of totally irresponsible government. My constituents are suffering massively. Surely the moral thing to do is not to look to the constitution, but to go to the country, call a general election and let the people of this country decide—not just on the Prime Minister, but on the rotten lot of bankrupt Government we have had for the past two and a half years since the last election. This is not about the constitution; it is about what the people of this country need. That is responsible government, and they are not going to get it from his side, even with a change of Prime Minister.

Michael Ellis: The business of government will continue functioning as the public would expect it to do. I reject the characterisation that the hon. Member makes, and I suspect that the vast majority of the general public in this country would also reject that characterisation.

Chris Bryant (Rhondda) (Lab): The Prime Minister should be making the statement in this House, frankly, not anywhere else, so that we could question him about the functioning of government. I think, Mr Speaker, that you would prefer that as well. Let me just ask the Minister this. There are two major crises at the moment: one is the cost of living crisis, which is facing many millions of families; and the other is the situation in Ukraine and across NATO. There is a real possibility that a Government might have to deploy further troops in the next few months, for proper reasons. A caretaker Government cannot do that—it simply cannot: the rules forbid them from doing that. Yet I fear that this Prime Minister—the disgraced, deselected Prime Minister—will be more dangerous in these next three months, if he is allowed to have another three months, than he has been in the last three years. Can the Minister please make sure that we have a proper Government soon—in other words, before the summer recess?

Michael Ellis: We have a proper Government, and proper government continues. I have to say to the hon. Gentleman that he talks about the cost of living and Ukraine, but I have hardly heard him or his hon.

Friends speak of those subjects over the past six months. They have mostly been talking about personalities. It is this Government who have been getting on with the business of representing the United Kingdom in international fora and have led the way on Ukraine and, when it comes to dealing with the global cost of living crisis, having been doing that too.

Christian Wakeford (Bury South) (Lab): Wow! What was that response to this urgent question? Is the Minister tired of propping up this Prime Minister and defending the indefensible? Minister, where was your letter? Did it get lost with your backbone?

Michael Ellis: I am not answering any questions along those lines.

Barbara Keeley (Worsley and Eccles South) (Lab): Today, it appears that a number of Bill Committees on issues of the utmost importance will be cancelled—from national security to levelling up, as my hon. Friend the Member for Rhondda (Chris Bryant) has raised, and tackling fraud—because there are no Ministers to attend them. The Minister says that the business of the House will continue, but it will not. It obviously is not doing so if Committees are being cancelled. In no other workplace would such crucial work go undone. Can the Minister explain why his Prime Minister and why his party think this is acceptable?

Michael Ellis: I say to the hon. Lady, as I have said before, that the legislative business of this House is a matter for the Leader of the House of Commons, who holds a Cabinet position and is in place. He is shortly to have his weekly question-and-answer session in this House, and she will be able to take advantage of that.

Nick Smith (Blaenau Gwent) (Lab): The Prime Minister has brought his office into disrepute. Our country should not have to put up with it any longer. Will the Prime Minister be leaving No. 10 this weekend?

Michael Ellis: The hon. Member will need to wait for the Prime Minister's statement later today.

Janet Daby (Lewisham East) (Lab): *The Times* reports this morning of Downing Street being like a bunker with gallows humour. This is no surprise really, given the Prime Minister's track record. The Prime Minister is now set on staying in post until after the summer. If this happens, is the Minister concerned about what further damage the Prime Minister will do?

Michael Ellis: The hon. Member will need to wait for the Prime Minister's statement later today; I cannot pre-empt what that statement will be.

Mrs Emma Lewell-Buck (South Shields) (Lab): Away from this place, our constituents are waiting for answers from this Government. My constituents Lisa and Mark Rutherford and Caroline Curry had their precious children taken from them in the Manchester Arena terror attack. Due to archaic legislation, they cannot register their deaths. The Ministry of Justice advised that an answer on a possible change to that legislation was imminent. Given that the Government have collapsed, who will give them an answer and when?

Michael Ellis: I am very sorry to hear of the appalling bereavement suffered by the hon. Lady's constituents; it is an unimaginable loss. I would like her to convey my sympathies, and the sympathies of the entire Government, for that. In answer to her question, the functioning of government continues: the civil service supports Ministers in place, Ministers are in place to support the functioning of necessary government, and that will continue.

Dave Doogan (Angus) (SNP): May I point out to the Minister that we do in fact have functioning government within the United Kingdom: we have a functioning Government in Edinburgh and we have a functioning Government in the Senedd in Cardiff? Where Government does not function across these islands, in Westminster and in Northern Ireland, they have one thing in common: the dead, malign hand of this Tory Government. What possible confidence can the people of these islands—the people who want to stay in this broken Union and the millions of us who do not—have in who is coming next, because they all stood by and watched what this Prime Minister did for six months or more?

Michael Ellis: It is the Westminster Government who represent this country, and the Union of the United Kingdom will continue apace despite the hon. Gentleman's opposition to it.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Minister praises the civil service while planning to cut 91,000 of them. I echo his praise, but they cannot be expected to cover for the lack of Ministers or, for that matter, for the British people's lack of confidence in this dysfunctional Government. So will he say whether the missing Ministers will be replaced, and does he accept that they are all tainted by the prime Minister's disgrace and that what is needed is a fresh start?

Michael Ellis: Ministerial appointments are not a matter for me, but the functioning of government will continue apace.

Rachael Maskell (York Central) (Lab/Co-op): In 18 minutes I am due to sit on the Levelling-up and Regeneration Bill Committee, as set out on the Order Paper. The Leader of the House will not have been before the House at that point, there are no Ministers, there is no Secretary of State, and there is a Prime Minister in office but not in government, so can the Paymaster General let me know whether that Committee is going ahead—now in 17 minutes—and when it is due to recommence if it is not going ahead then?

Michael Ellis: I am unable to answer the hon. Member's question. The Committees of this House will continue in the normal way of business.

Jeff Smith (Manchester, Withington) (Lab): The majority of those who left the Government have referred to the Prime Minister's lack of integrity, honour, honesty and competence. They surely cannot return to work for such a man, even on a temporary basis. To get a functioning Government, we need a full set of Ministers and we need a swift transition. Will the Paymaster General at least convey that message to No. 10 and to his Cabinet colleagues?

Michael Ellis: It is up to each individual to decide how best to serve in Government or not, and the functioning of Government can and will continue. Having spoken this morning to the Cabinet Secretary, I can say that there are a multitude of Ministers and a plethora of items on agendas that will continue to be dealt with, with the support of the civil service, as I have said.

Prime Minister's Meeting with Alexander Lebedev

11.14 am

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab) (*Urgent Question*): To ask the Minister to make a statement on the meeting between the Prime Minister and the former KGB agent Alexander Lebedev at the height of the Skripal crisis.

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Vicky Ford): Alexander Lebedev is a well-known former KGB officer and a former owner of the *London Evening Standard* newspaper. Yesterday, the Prime Minister told the Liaison Committee, in response to questions from the right hon. Member for Kingston upon Hull North (Dame Diana Johnson), that he had met Mr Lebedev “on a very few occasions”.

I understand that the Prime Minister also confirmed that he had met Mr Lebedev without officials present and that he had subsequently reported those meetings to officials as required. I do not have any information about the content of any discussions that may or may not have been held with Mr Lebedev.

All Government Ministers are made fully aware of their responsibilities to safeguard national security and sensitive information. It has been a long-standing policy of all Governments of all colours not to comment on intelligence or national security-sensitive matters, as to do so could jeopardise the very security that it is the first duty of Government to protect. In response to the Salisbury attack, the UK expelled 23 Russian intelligence officers and significantly strengthened our defences against Russian interference in the United Kingdom.

Yvette Cooper: We sought this urgent question despite the meltdown in the Government because it goes to the heart of our national security. Yesterday, the Prime Minister admitted to the Chairs of the Home Affairs Committee and the Public Accounts Committee that in April 2018 as Foreign Secretary he met the former KGB officer Alexander Lebedev—the father of Lord Lebedev—in Italy without any officials and without any security. He went there straight from a NATO meeting, where the top item on the agenda was Russia, at the height of the Salisbury poisoning crisis after Sergei Skripal and his daughter Yulia had been attacked and before Charlie Rowley and Dawn Sturgess had been exposed to the remaining Novichok. That was a chemical weapon attack by Russian agents on British soil that targeted two British residents, had life-changing effects for a British police officer and killed a British citizen.

On 20 May this year, Alexander Lebedev was sanctioned by the Canadian Government—a Five Eyes partner of the UK—for being one of the 14 identified people who “have directly enabled Vladimir Putin’s senseless war in Ukraine and bear responsibility for the pain and suffering of the people of Ukraine.”

The UK has not yet sanctioned him.

The charges against the Prime Minister are about not just a lack of integrity but a complete disregard for basic national security and the patriotic interests of the country. Those charges lie not just with him but with all those who have enabled him and covered up for him on

this issue. Did the Foreign Office, the Home Office and the Security Service know about the meeting in advance? Was a detailed record made of the meeting after the event—there are rumours that the Foreign Secretary was too drunk to properly remember? Is that true? There are also rumours that Alexander Lebedev was trying to arrange a phone call from the meeting with the Russian Foreign Minister, Sergey Lavrov. Is that true? Did that phone call happen? The record of Ministers' interests says that the Foreign Secretary accepted hospitality in Italy for himself and a guest, but he travelled home alone. Who was that guest? Did that put him in a compromising position?

Yesterday, the Prime Minister referred to several meetings with Alexander Lebedev without officials. When were the others? Were any of them while he was Prime Minister? The shadow Security Minister, my hon. Friend the Member for Halifax (Holly Lynch), has been asking for confirmation that that meeting happened for months, so why have Home Office Ministers, Cabinet Office Ministers and Foreign Office Ministers all been covering up? It is bad enough covering up for parties and breaking the law, but covering up over national security is a total disgrace. It puts all our safety and security at risk. It is not just the Prime Minister but the whole Government who are letting the country down.

Several hon. Members *rose*—

Mr Speaker: I do not expect the Minister to take everybody. This session will be short, because we have a lot of other business.

Vicky Ford: I take issues of our national security extremely seriously, which is why I am at the Dispatch Box today. Day after day, Ministers in the Government, especially Foreign Office Ministers, make decisions that affect the safety and security of UK citizens; in the case of Foreign Office Ministers, especially UK citizens overseas.

On sanctions, the UK has introduced world-leading sanctions packages since Russia's illegal invasion of Ukraine—that is over 12,000 individuals. I cannot comment on any further sanctions, as we never comment on sanctions in advance, but I can comment that, since 24 February, I, like other Foreign Office Ministers, have carried out my duties in signing off a number of those sanctions.

Alyn Smith (Stirling) (SNP): The last 48 hours of this hapless Government have been quite disgusting to any decent person who has been submitting to the spectacle of it. And the last few years have not been much cop either: somebody who is deeply inappropriate for public office, not least the highest office, aided, abetted and enabled by the venality and cowardice of people who are now falling over themselves to compete for sanctimony and hypocrisy.

We on the SNP Benches do not celebrate the departure of the Prime Minister—like getting rid of a headache, we are just glad he is going—but his toxic legacy will live on after him. We will all need to deal with the consequences of this disastrous Administration: his toxic legacy on inflicting his disastrous Brexit on us all; asleep at the wheel over climate change; allowing the cost of living crisis to accumulate, which all our citizens are dealing with; inaction on climate change; and breaking international law over Northern Ireland. We will all of us be dealing with that thereafter.

I am glad to hear the Minister takes national security seriously. I do not doubt it—

Mr Speaker: Order. First of all, the hon. Gentleman's contribution is meant to be relevant to what we are debating. I have had nothing yet and you have just used your full minute. I will give you a couple of seconds to actually put a question.

Alyn Smith: Forgive me, Mr Speaker. I am taking this stuff really seriously and I am disgusted.

Mr Speaker: Do you not think the rest of us are?

Alyn Smith: I do, Mr Speaker. I am trying to chime with the mood of the House, rather than the Government.

The Minister takes national security seriously, but it is quite obvious from the Prime Minister's admission yesterday that he has serious questions to answer. I appreciate that the Minister is perhaps not in a position to give a proper answer, but will she at least allow the prospect of a police investigation into the Prime Minister and the influence that Russian individuals have over him? His toxic legacy over national security cannot be something he can evade responsibility for.

Vicky Ford: I would say that—I will follow up as well to the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper)—the Prime Minister did commit yesterday that he would follow up on the question from the right hon. Member for Kingston upon Hull North at the Liaison Committee. He did commit to that. I have asked whether there is more detailed information on the discussions, but I do not have any information about the content of those discussions at this time.

Chris Bryant (Rhondda) (Lab): Mr Speaker, I think the Minister inadvertently misled us earlier, because the Prime Minister yesterday—I was at the Liaison Committee—did not say what she said. He did not say—to the best of my memory, anyway—that he had notified other officials. If he had notified other officials, surely, as the Minister would understand, that meeting would have appeared on the transparency records of the Foreign and Commonwealth Office for April 2018 and it is not there. So, either she has misled us inadvertently today, or the Prime Minister did so, perhaps more deliberately, previously.

Vicky Ford: Obviously, I was not at the Liaison Committee yesterday. I was, as you may know, Mr Speaker, giving a ministerial statement on fast-tracking the ratification of Finland and Sweden joining NATO, another measure that is absolutely crucial to our safety and security here and, later in the Chamber, ensuring that we passed the funding. On the question, I repeat what I said in my opening words. It is my understanding that the Prime Minister confirmed that he had met Mr Lebedev without officials present and that he subsequently reported those meetings to officials. That is my understanding and that is what I have been told. If that is not an accurate reflection, I apologise. But this is not me misleading; that is what I was told.

Liam Byrne (Birmingham, Hodge Hill) (Lab): According to intelligence reports that I have seen, a serving FSB officer reported in 2017, "Aleksandr Lebedev is considered by the FSB to be an important asset". More recently, he has significantly expanded his businesses in occupied

[Liam Byrne]

Crimea; pleaded with the Kremlin for economic help for occupied Crimea; and was revealed as the indirect owner of a company called Energomash, which supplies the Russian nuclear programme. How is it possible for the Prime Minister to stay in office if he is conspiring with an agent of the Russian state?

Vicky Ford: As the right hon. Member knows, I cannot comment on any potential future sanctions that may be introduced, because we never do that in advance. I cannot give any more comment on the particular individual that he is discussing.

The hon. Member for Rhondda (Chris Bryant) asked me to be more clear about what the Prime Minister said at the Liaison Committee. I have just been passed a note: apparently, the Prime Minister says that he thinks he mentioned this meeting to officials. [Interruption.] I am reporting what I have been told.

Dame Diana Johnson (Kingston upon Hull North) (Lab): It is deeply unsatisfactory that the Minister has come to the House so ill-prepared, because the matter has been doggedly pursued by my hon. Friend the Member for Halifax (Holly Lynch) for many months. Does the Minister agree that, in the light of the admissions that were made at the Liaison Committee yesterday, it would be wholly inappropriate for the Prime Minister—if he is about to resign—to try to stay as a caretaker Prime Minister? These very serious allegations reflect on his ability to keep this country safe.

Vicky Ford: The Prime Minister is expected to make a statement shortly to the people of this country and I obviously cannot comment on that in advance. I do hear what the right hon. Lady says.

Mr Speaker: Just for my clarification, the Minister previously said that we will be getting something in this House. Are we now saying that it will be to the people and not to the House?

Vicky Ford: I understand that the Prime Minister is intending to make a press statement to the people of this country.

Mr Speaker: So not to the House—that is totally not satisfactory.

Mr Alistair Carmichael (Orkney and Shetland) (LD): “Not satisfactory”—I admire your magnificent understatement, Mr Speaker.

Surely this admission illustrates why this man cannot remain as Prime Minister, even as a caretaker. He is simply not to be trusted. I have seen four other Prime Ministers stand at the Government Dispatch Box in my time in the House, and I cannot imagine any one of them becoming involved in an enterprise such as this. The relationship with Russia goes right through this Government. We were told four months ago that we would get the report on the golden visa schemes, but we still do not have it. When will that report be published? Why has it been delayed?

Vicky Ford: The visa scheme has ceased.

Derek Twigg (Halton) (Lab): What we have heard is truly horrifying. It is deeply disturbing and worrying that the Prime Minister, as Foreign Secretary, met an agent of Russia. Let me ask the Minister this, because I have not actually heard her say it: does she condemn that meeting?

Vicky Ford: I just need to repeat again that all Government Ministers are made fully aware of their responsibility to safeguard national security-sensitive information, as I am and as others are. I cannot comment any further because I do not have any further details of the meeting.

Dame Angela Eagle (Wallasey) (Lab): The Minister really cannot come to the House so unprepared that she cannot give us any answers, when the Prime Minister has belatedly admitted that he met an agent of the Russian state while he was Foreign Secretary without any security or anyone else to listen to what he had to say to Putin's henchman. She has to come to the House properly prepared and tell us why this disgraced Prime Minister has any right to stay in office for a second longer, given that he is now a direct threat to our national security.

Vicky Ford: As I said earlier, I take national security and the security of our citizens extremely seriously, which is why it is absolutely vital that the Government continue to have Foreign Office Ministers in place. I have inquired as to whether or not there are further details of the meetings—these alleged meetings—and I do not have any further details at this time.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Given that the then Foreign Secretary went from the NATO meeting to these meetings, did he have any Government papers in his possession at the time? Secondly, we know that the Prime Minister has been very careless in the past—I think his mobile phone number was publicly available for 15 years. Did he have his personal electronic devices with him at the time? If he did, were they searched and examined by the security services after that meeting?

Vicky Ford: As I have said, I do not have any further details at this time. I have asked to see whether there are further details, but I do not have the details at this time. The Prime Minister, however, has announced that he is stepping down and will be making a statement shortly, as we know.

Nick Smith (Blaenau Gwent) (Lab): Why did it take until yesterday for the Prime Minister to admit that he had met a KGB agent in secret? Will there be a published report on this matter?

Vicky Ford: The Prime Minister was questioned yesterday, and he answered the question yesterday. Today is today.

Alex Sobel (Leeds North West) (Lab/Co-op): As we know, the Prime Minister often goes into meetings, has conversations and then has a lapse of memory. He had a lapse of memory after the meeting with Alexander Lebedev. Has he now recalled it and informed the Minister of the conversation in that meeting? It is not just a national security matter; Alexander Lebedev owns

businesses in illegally occupied Crimea, which is Ukrainian, not Russian territory. It is a matter not just for us, but for the country of Ukraine.

Vicky Ford: We must remember that at the time, there had been a devastating attack against a civilian on UK soil, involving chemical weapons. That led to a massive effort by the Foreign Office to co-ordinate the expulsion of Russian diplomats from embassies all across the world. At this time, the UK is also working with our allies across the world to counter Russian disinformation and help to remind people across the world about Russia's brutal and illegal invasion of Ukraine. In terms of the information that the hon. Gentleman requests, I do not have any further information at this time.

Ruth Cadbury (Brentford and Isleworth) (Lab): Where the Minister has said in answer to me or my colleagues that she does not have the information at this time, I do hope that we will get answers in writing in due course. My question is: what reassurance can the Minister give us that the Prime Minister has had no meetings with any other KGB agents or other people who pose a threat to our national security?

Vicky Ford: I understand that at the Liaison Committee yesterday the Prime Minister committed to following up in writing with the Chair of the Home Affairs Committee, so there is a commitment to put information in writing. That is important. I cannot comment on any further meetings.

Rachael Maskell (York Central) (Lab/Co-op): I do not think that the Minister understands quite how serious the issue is, and not only for our own national security; at a time when Ukraine is defending its own right to its own land, this is completely undermining President Zelensky. What analysis has the Minister's office undertaken to understand the impact of the Prime Minister's secret meetings?

Vicky Ford: May I just say that Russia is a top national security priority for this Government? We have made huge strides to counter the threat by the Russian state. The National Security Council agreed the Russia strategy back in 2017. The Government published a full and comprehensive response to the Intelligence and Security Committee report back in January 2020, implementing a majority of the Committee's recommendations. We have closed the tier 1 investor visa route, which I believe was introduced by the Labour party. We continue to call out Russian malign activities where they occur across the globe.

Alison Thewliss (Glasgow Central) (SNP): Open Democracy has reported that the Conservative party has received £62,000 from Russian-linked donors since the beginning of the current escalation of the conflict in Ukraine, including a further £50,000 from Lubov Chernukhin, who is married to Putin's former deputy Finance Minister. We know that money buys influence.

What analysis has the Minister carried out of the influence that this money buys and where it goes, and of the national security implications?

Vicky Ford: Transparency of information about political donations is very important. Only individuals on the UK electoral roll, or UK-registered companies, are allowed to make such donations. It is an offence for political parties and other campaigners to receive donations from impermissible sources, and that includes donations from foreign nationals living abroad. That is the law, and that is the law that all parties, including the Conservative party, need to uphold.

Ian Mearns (Gateshead) (Lab): Given the revelations of the last 24 hours and the suspicions that have existed for a number of months, if not years, why would any of our allies share any sensitive information with us now, while the current Prime Minister remains in office?

Vicky Ford: Because the UK has been leading the international efforts to stand up for Ukraine against Russian aggression. That is why allies across the world have been working with the UK: because we have been helping to lead the efforts to stand up for the people of Ukraine during the attack against their sovereignty, their democracy and their freedom.

Jim Shannon (Strangford) (DUP): That the meeting with Alexander Lebedev took place is not in question, but much controversy has surrounded that meeting, and many people feel that there is a lack of detail about what took place. May I respectfully ask the Minister, for whom I have a fondness, whether a full disclosure of all that has been discussed with Alexander Lebedev will be made available, and whether the threat to national security—given Lebedev's close links with the KGB and the Kremlin—will be disclosed at the same time?

Vicky Ford: The hon. Gentleman will recognise that I cannot disclose any further information at this time, although I appreciate that Members want more information. He will also recognise that we would not disclose any information that might put the security of our own citizens further at risk. It is extremely important for us not to disclose information from time to time if it would put people at risk. However, in answer to questions asked yesterday by the Chair of the Home Affairs Committee, the Prime Minister committed himself to writing to her. She has that commitment from him, although he has of course said since then that he will be stepping down, and he is expected to give further information about that.

Mr Speaker: Before we start business questions, I wish to refer to an exchange between the Leader of the House and me about the Youth Parliament during last week's business questions. We will have to lay a motion for that, but I should point out that the letter in question had not arrived at the office of the Leader of the House in time. I want to clarify that he was absolutely correct about that. I am sure he will now take this forward with great heart and with great speed.

Business of the House

11.38 am

Thangam Debbonaire (Bristol West) (Lab): May I ask the Leader of the House to give us the forthcoming business?

Mr Speaker: Good luck, Leader!

The Leader of the House of Commons (Mark Spencer): It will be a pleasure. The business for the week beginning on 11 July will include the following:

MONDAY 11 JULY—Consideration of a Business of the House motion, followed by all stages of the Energy (Oil and Gas) Profits Levy Bill, followed by debate on motions relating to the Liability of Trade Unions in Proceedings in Tort (Increase of Limits on Damages) Order 2022 and the draft Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2022.

TUESDAY 12 JULY—Remaining stages of the Online Safety Bill (day 1), followed by a debate on a motion on restoration and renewal of the Palace of Westminster.

WEDNESDAY 13 JULY—Consideration in Committee of the Northern Ireland Protocol Bill (Day 1).

THURSDAY 14 JULY—A debate on a motion on Srebrenica, followed by a general debate on protecting and restoring nature at COP15 and beyond. The subjects for these debates were determined by the Backbench Business Committee.

FRIDAY 15 JULY—Private Members' Bills.

The provisional business for the week commencing 18 July includes the following:

MONDAY 18 JULY—Consideration in Committee of the Northern Ireland Protocol Bill (Day 2).

TUESDAY 19 JULY—Conclusion of consideration in Committee of the Northern Ireland Protocol Bill (Day 3).

WEDNESDAY 20 JULY—Conclusion of remaining stages of the Online Safety Bill.

THURSDAY 21 JULY—Business to be determined by the Backbench Business Committee.

The House will rise for the summer recess at the conclusion of business on Thursday 21 July and return on Monday 5 September.

Thangam Debbonaire: I thank the Leader of the House for the forthcoming business, although his Government are clearly not in any position to deliver it. The Prime Minister is resigning—we are hearing on Twitter that Cabinet appointments may be happening—and we have had Bill Committees cancelled this morning. There is no doubt, as we have been saying for months, that this Government are simply unable to govern. Inflation has reached its highest for 40 years; 59 members of the Government—when I last printed out a copy of this speech—have resigned; economic growth is grinding to a halt; the hours-in-post Chancellor spent his first day on the job asking his boss to quit rather than planning for how we will deal with the cost of living crisis; and, as backlog Britain bulges, the Attorney General has been on television announcing her leadership bid. This is far beyond a mere distraction; this is a Tory Government paralysed by sleaze and scandal. In a shameful act of

desperation, the Prime Minister is dragging the country down with him as he goes, and I am afraid his party has propped him up to do it.

Even if the Prime Minister is now Prime Minister in name only—frankly, that situation needs to change—there appears to be no one left to drive the work of the Government forward in Whitehall. The Leader of the House is constantly telling me that his Government are getting on with the job. They are clearly not. We were told that appointments would be made last night, but we are still waiting for ministerial posts in the Treasury, Education—there is no one there—Justice, Environment, Employment, Housing and Levelling Up. The flagship Levelling Up Department has been levelled to the extent that I think there is only one Minister left standing. When will these Ministers be replaced? What qualifications does someone now need to be a Minister in this Government? Who knows? Not only are the Government unable to carry out their basic functions in Whitehall, but the business of this House cannot proceed.

The Leader of the House may know that the Paymaster General has referred questions about cancelled Bill Committees to him, so I will ask him: what is happening to today's Levelling Up and Regeneration Bill Committee, which should have been going for, I think, 12 minutes by now? When will that be rescheduled? The Northern Ireland Secretary resigned just a few hours ago. Where does that leave the Northern Ireland Troubles (Legacy and Reconciliation) Bill? What is the plan for all of this?

The Leader of the House has announced business on the Northern Ireland Protocol Bill for 13, 18 and 19 July. Considering the seriousness of that legislation and the impact it has on our country's reputation, and the fact that this Prime Minister is now a caretaker only, what mandate do the Government have to proceed? This is affecting not just primary but secondary legislation. During the passage of the Building Safety Bill, the Minister admitted that there were unresolved issues that needed statutory instruments passing to protect leaseholders. Is there anyone who can sign these SIs?

In an excruciating appearance before the Liaison Committee yesterday, the Prime Minister admitted he had met a former KGB agent who had links to Putin, without officials being present, in Italy when he was Foreign Secretary. I am glad that my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) was able to ask questions about that this morning with your permission, Mr Speaker, but not a single one was answered. This is about security. If my right hon. Friend is unable to get answers in the context of a chemical weapons attack on British soil in which British people died, how can this be a Government who are functioning? I ask the Leader of the House, with the greatest respect: how does any of this look like a functioning Government?

Week after week, the Leader of the House has failed to answer my very specific questions on the appointment of a new ethics adviser. Given the new revelations regarding Lebedev, surely he will agree with me today—I hope he will also answer my question—that a new ethics adviser is needed. Can he tell us when this vacancy will be filled? Can he guarantee that the investigations that were ongoing prior to Lord Geidt's resignation will be completed? The first duty of any Government, as we all know, is to keep their people safe. When the Security Minister resigns in the morning, we cannot allow the

vacancy to drift into the evening, let alone the weekend, and for this Conservative party to continue putting national security at risk.

Every single Tory MP—every single one—should take a long, hard look in the mirror and ask themselves how we got here with a Government who have collapsed before our eyes. They are putting the British people through an excruciating and dangerous act of desperation with a caretaker Prime Minister who, as my right hon. Friend the Member for Normanton, Pontefract and Castleford said, is even more dangerous as a caretaker than as Prime Minister. I may disagree with the Leader of the House politically, but I have huge respect for his office and for that of the Prime Minister. They propped him up, they were complicit, they have overseen 12 years of stagnation, declining public services and empty promises. We need a fresh start with a Labour Government.

Mark Spencer: There is a very clear difference between the hon. Lady and me. Now is the moment for calmness and professionalism, not for ranting and overexcitement.

The hon. Lady mentioned national security and, before we proceed, we should recognise that today is the 15th anniversary of the 7/7 bombings. The Home Secretary is the Minister responsible for national security, and she is in office—she is still Home Secretary—and in control of our national security. There is no issue on our national security at any level at this moment in time.

I have presented the business of the House, and there are Ministers in place to deliver the programme for the next two weeks. The hon. Lady asked how we will proceed with the Northern Ireland Troubles (Legacy and Reconciliation) Bill. If she had been paying attention, she would know that we have concluded the Bill in this House. She is very concerned about legislation, but there were only four Labour Members in the House to consider the Bill. That is how seriously they take the troubles in Northern Ireland, and there were zero Liberal Democrats. Only four Labour Members could be bothered to turn up to debate the Bill.

The hon. Lady mentioned the chemical weapons attack in Salisbury. She supported a Leader of the Opposition who wanted to send the evidence back for Russia to consider. Just pause for a moment and think about who she supported at that moment in time.

Thangam Debbonaire: You have nothing to say.

Mark Spencer: It is all right heckling and saying we have nothing to say, but we are getting on with the business of Government in a calm way. Some Public Bill Committees will not run today, but they will be back up and running very soon.

The hon. Lady finished on Lord Geidt. I declare my interest, but I am assured that processes are in place and that these matters will continue to be reviewed. The result of those processes will come forward very soon.

Ms Nusrat Ghani (Wealden) (Con): As the Leader of the House continues to have confidence in the Prime Minister, my question requires a simple answer. Does he agree with the Prime Minister that, if a complaint is raised against a Member of Parliament that is so grave it triggers an investigation, that Member of Parliament

or Minister should not be promoted or continue on the Front Bench? My question is simple: does he agree with the Prime Minister?

Mark Spencer: I am not sure how that question is relevant to the business of the House in any way, shape or form. If my hon. Friend wants to apply for an Adjournment debate on any matter, she is welcome to do so.

Several hon. Members *rose*—

Mr Speaker: To those who were late, please do not embarrass me by standing. I call the SNP spokesperson, Pete Wishart.

Pete Wishart (Perth and North Perthshire) (SNP): And the Leader of the House is away! Has he not been curiously quiet over the past 24 hours? He was one of the few Johnson loyalists left standing last night. I thought we might find him in the bunker this morning, chained to the radiator with his beloved Prime Minister—but I can reassure him that he is a rank outsider to take over from the Prime Minister, at something like 80/1, which is a long shot even for him.

What a mess they have made of this. This Prime Minister cannot even leave the scene without almost burning down the House. He is the first Prime Minister in history who, when receiving that tap on the shoulder, told the men in grey suits to get stuffed. Surely there is no way on earth that he can remain as any sort of caretaker, particularly given all the big issues we have to consider and address as we go through the summer. He is more of an undertaker than a caretaker.

What a joke of a business statement, with a Government at half capacity! There are barely enough Ministers to respond to debates and to answer the questions, and business has been cancelled for the rest of the day. What happens to all the vacant positions? Will people all now return to their posts? Does the former Levelling Up Secretary now get his job back?

We need to debate this Prime Minister's legacy. He will go down as one of the worst Prime Ministers in history, at one of the worst possible times. In just three years, he has managed to decimate our international reputation, our economy and our democracy. We will now have our fourth Prime Minister in six years, so perhaps the problem is not with whoever leads that shower over there. People ask the SNP why we want independence for Scotland. I am not asking that this morning. Independence would mean that we would never again get another Prime Minister whom we had not voted for, like him. Isn't it funny that one of the last acts of the man who has trashed so much of the democracy in the UK was to write to our First Minister to try to deny democracy to our nation. He has now gone, and Scotland will soon be gone too.

Mark Spencer: Once again, there was not much in there that was relevant to the business of the House. We await the Prime Minister's statement this afternoon. I can assure the hon. Gentleman that vacant positions will be refilled as the reshuffle progresses today and tomorrow, and the Government will continue to function in a professional way and deliver for the people of the United Kingdom.

Andrew Selous (South West Bedfordshire) (Con): May we have an urgent debate in Government time, because I have already had a debate in Westminster Hall, on increasing general practice capacity where we have huge increases in population? The Leader of the House faces similar issues to those I have in my constituency; they exist all over the country. Such a debate would show to our constituents that, notwithstanding what has gone on in the past few days, the Government get this and take the issue seriously, and that serious work will take place on this issue in the next few weeks and months.

Mark Spencer: I pay tribute to my hon. Friend, who has done a lot of work on this matter, and to his leadership on it. He will be aware that we are investing £1.5 billion to create an extra 50 million GP appointments by 2024. We want people to feel confident that when they have a problem they can see a GP face to face. This is worthy of further debate and I know that he will continue to press. I encourage him to seek a debate in this House.

Mr Speaker: I call Ian Mearns, the Chair of the Backbench Business Committee.

Ian Mearns (Gateshead) (Lab): I am very grateful, Mr Speaker. I thank the Leader of the House for announcing the business and the Backbench Business Committee debates for 14 July. Let me also give the House notice that on 21 July, which has been allocated to the Committee, our proposal is to have a debate in the first half of the day on United Kingdom sanctions for human rights abuses and corruption.

For quite a few years, the final Thursday before the summer recess has been allocated, when allowed, to a debate on, “Matters to be raised before the forthcoming summer Adjournment”. The Committee has agreed that, to honour his memory, it would be a fitting tribute to Sir David Amess, who was cruelly taken from us last October, if that debate was renamed the “Sir David Amess Summer Adjournment Debate”. Sir David was renowned among our colleagues for his regular appearances at our Committee and his impressive contributions to pre-recess Adjournment debates. I raised this matter briefly in the House after Sir David’s loss and had the support of the then Leader of the House. I have written to the Chair of the Procedure Committee, to you, Mr Speaker, and to the current Leader of the House to this effect.

Mark Spencer: I pay tribute to the hon. Gentleman and to his Committee for the work that they do, and I thank him for announcing the debate that he mentioned. From the Dispatch Box, I offer my full support for his recommendation to call the debate the Sir David Amess debate. I hope I have the opportunity to respond to the hon. Gentleman and to other Members in that debate, and I think it is a very fitting tribute that he has introduced.

Mrs Pauline Latham (Mid Derbyshire) (Con): This may seem mundane given the drama that is happening around us, but it is important to my constituents because we have several fantastic sustainable businesses. I recently met Kit Change, which makes leggings and sporting tops out of recycled plastic bottles, and 3rd Rock, which makes sustainable climbing activewear out of old

carpets and discarded fishing nets. Such businesses are really important and I have discussed with them the challenges and opportunities they face, particularly in relation to financing. Please could we have a debate in this House about financing for small businesses that focus on sustainability and ethical sourcing of products?

Mark Spencer: This is not a trivial matter: such businesses up and down this country are the backbone of our economy. The Government provide extensive business support for small and medium-sized enterprises, including sustainable businesses. The British Business Bank programmes support more than 1.77 million smaller businesses with £89 billion-worth of finance. My hon. Friend will have the opportunity at Business, Enterprise and Industrial Strategy questions next week if she wants to highlight the fantastic recyclables businesses in her constituency.

John Cryer (Leyton and Wanstead) (Lab): I associate myself with the comments made a few minutes ago about David Amess, my former neighbour.

One of the many consequences of rising energy prices is that hundreds of swimming pools in this country face closure in the next few months. This was raised this morning at Digital, Culture, Media and Sport questions, but technically it is not a matter for that Department; it has more to do with the Treasury and the Department for Business, Energy and Industrial Strategy. If we have any Ministers left in those Departments, can we have a statement on how this potential crisis will be tackled with all the implications for future generations?

Mark Spencer: The hon. Gentleman asks a very important question. I have swimming pools in my constituency that are struggling with the rising cost of global energy. It is something that the Government understand and take very seriously, which is why we have poured in billions of pounds of support. I hope the local authorities can find it within their means to help and support those swimming pools that are under pressure. There may be an opportunity to raise that next week at BEIS questions, under the energy portfolio.

Dr Matthew Offord (Hendon) (Con): The 7th July remains a very painful day for many Londoners—it is 17 years since 52 of them were murdered in London. Five of those victims were people who had direct connections with Hendon, including Anthony Fatayi-Williams, who walked past me just two hours before his death.

My constituent, nine-year-old Precious, has a neuro-generative disease resulting in complex health conditions, including scoliosis. Her medical team has advised that she needs an operation to insert MAGEC rods into her spine to correct this. Their use was suspended in 2020 due to safety concerns, but they have been cleared for procedures in the United States and other countries, as a modified version has been implemented. Precious’s family and the spinal team at Great Ormond Street Hospital have been waiting more than six months for the approval of the Medicines and Healthcare products Regulatory Agency. Can a Minister come to the Dispatch Box to update us on progress on approving this desperately needed technology for my constituent?

Mark Spencer: I thank my hon. Friend and join him in paying tribute to the 7/7 victims. I may have inadvertently said that today was the 15th anniversary, but I think he is right that it is the 17th anniversary.

I am sure that the whole House sends its best wishes to Precious. I can assure my hon. Friend that the MHRA is taking this matter very seriously. I understand that he has written to the chief executive of the MHRA, which will be providing a full written response in due course.

Florence Eshalomi (Vauxhall) (Lab/Co-op): I associate myself with the remarks of the Leader of the House on the 17th anniversary of the 7/7 bombings, and remember the 52 victims who died. It serves as a reminder that London will never be cowed by terrorism.

At a time when we need stability across the Government, we have seen that the Minister for Crime and Policing has been appointed to another role. The fact that the Met police, along with six other police forces, are in special measures does not give my constituents in Vauxhall the confidence that this Government are stable. Can the Leader of the House please outline when there will be a reappointment to that important post?

Mark Spencer: I thank the hon. Lady for her question and her comments about 7/7 and recognise the cross-party support on matters of national security. I can assure her that a reshuffle is taking place. It is my understanding that that is a very important role and will be filled very soon. I am sure that she will be able to question the new Minister in due course.

Bob Blackman (Harrow East) (Con): As we commemorate the terrorist attacks on London, people should remember that the day before was a day of great joy when London was awarded the Olympics, but our memory of that is tinged with sadness because of the terrorist atrocities that took place the following day. Over the course of the pandemic, the Department for Transport has continued to bail out Transport for London to cover the loss of income from fares. However, the Department has rightly refused to cover the cost of the Mayor of London's not doing what he should have done to deal with TfL's finances. The current deal runs out next weekend, I believe. We desperately need an announcement from the Department for Transport on what will happen after next weekend on financing for London transport, because we cannot continue in a position where the Mayor of London refuses to take the action required to reduce costs.

Mark Spencer: I recognise the challenges that Londoners will face if the transport system does not operate. My hon. Friend is right to draw attention to the amount of support that the Government have offered, and to hold the Mayor of London to account. I will pass on his comments directly to the Secretary of State, but I hope the Mayor of London will take firm action, get a grip on Transport for London and not rely on the cash from the Government that he is requesting.

Chris Bryant (Rhondda) (Lab): All the events of today sort of started with the Prime Minister throwing the kitchen sink at trying to preserve Owen Paterson in post, which of course the Leader of the House was also instrumental in. The Standards Committee has produced

a new code of conduct. It is ready to go, and we have published it. Although there has been a form of appeal in the past, we have also published a new procedural protocol that would put in place a formal appeal through the Independent Expert Panel, which is chaired by a High Court judge, Sir Stephen Irwin. We cannot use that, including for new cases, unless the Government table the motions. I had hoped we would do that before the summer recess. I urge the Leader of the House to think again about the past week and whether there is a means of doing this before the summer recess. Otherwise, there is a real danger that we will be in legal jeopardy because we will not know how to deal with an individual case that might come along that might be just as serious as that of Owen Paterson.

Mark Spencer: I thank the hon. Gentleman for the work he has done and for the work of the Committee. We had the final reports late last week, I think, and the Government are now considering them. I know he is keen to move forward, as are the Government, but I do not think it will be possible to have that debate before the summer recess. I am happy to sit down with him at some point over the next week to try to arrange a time when we can plan our way forward.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): My right hon. Friend will know that this year alone we are spending nearly £190 billion of taxpayers' money on the NHS. Spending on the health service is increasing every year as a percentage of overall Government spending. We are very proud in Shropshire that my right hon. Friend the Member for Ludlow (Philip Dunne) and I secured £312 million for major modernisation of our local A&E services, but not a penny of that money has been spent, four years after we secured it. Can we have a debate in Government time about the quality and efficacy of various levels of NHS management? Certainly, I am starting to lose confidence in my trust.

Mark Spencer: I pay tribute to the work my hon. Friend does holding local health authorities to account in Shropshire. He will be aware that the Government have introduced a £39 billion package through the health and social care levy—a huge investment in our health services—but he is right that that must also go hand in hand with reform and restructure to ensure that taxpayers' money is invested properly and spent efficiently.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will the Leader of the House, who of course knows more about what has been going on in No. 10 and the Government than anyone else, take seriously the fact that this is a national crisis and a national emergency? Perhaps pro tem, just for the next two weeks and through the recess, there should be some serious co-operation between those on the Opposition and Government Front Benches to serve the national purpose.

Will the Leader of the House address another matter? I do not know how we do this. When dear David was killed and when Jo was killed, I had the assurance that their families would be well looked after, but evidence has come to me that that is not the case. Could we have a proper way of finding out how we look after the families of victims killed when they are doing their job as parliamentarians, because what I have heard recently reflects very poorly on this House?

Mark Spencer: I am more than happy to pursue that away from the Dispatch Box if the hon. Gentleman wants to raise it with me privately and send me the information that he is in possession of. Clearly there is a responsibility for us to look after families of those people who sadly were brutally murdered. It is worth reaffirming that there are support mechanisms out there for security through the Speaker's Office and through the security services within the House of Commons. If any Members are concerned about their own security or that of their family, there is support out there.

Alison Thewliss (Glasgow Central) (SNP): At the Treasury Committee on 6 June, the now former Chancellor promised action in weeks on what he called the extraordinary profits of electricity generators, sparking significant uncertainty about renewables investment in Scotland. Nothing in the business statement presented today deals with this proposal. Before the recess, will the Leader of the House restore confidence and help Scotland's net zero ambitions by confirming that the current Government will not go ahead with these half-baked plans?

Mark Spencer: We have announced the Energy (Oil and Gas) Profits Levy Bill, which is coming to the House very soon, so the hon. Lady will have the opportunity in those debates to question the Minister at the Dispatch Box. But I think we can afford the new Chancellor of the Exchequer a little time to find his feet and then come to the House, and I am sure she will have the opportunity to question him when he does.

Kerry McCarthy (Bristol East) (Lab): I should not actually be here at the moment—I should be in the Committee on the Genetic Technologies (Precision Breeding) Bill, but unfortunately we lost the Minister yesterday. We have a new Minister who is even now swotting up ferociously for this afternoon's sitting, but it is an incredibly technical Bill and it is not very well drafted; it is very flawed. Does the Leader of the House really think that that Minister, with no disrespect to her, is going to be a position to take us through the remaining stages of the Committee by this afternoon?

Mark Spencer: The Bill Committee will meet at 2 o'clock this afternoon. I can assure her that the Minister of State in that Department is very informed on this matter—is right across the detail of it—and I am sure the Bill Committee will proceed with great speed at 2 o'clock this afternoon.

Ian Paisley (North Antrim) (DUP): I welcome the fact that the Leader of the House has not listed any business on the Northern Ireland Protocol Bill for 12 July, given that celebrations about the glorious revolution will be taking place on that day and a number of Northern Ireland Members would not be available, but I also welcome the fact that he has listed it for three days—the 13th, the 18th and the 19th. Will he confirm that as personalities are changing at the top, the policy on the Northern Ireland Protocol Bill will not change and it is the Government's intention to complete this business by the end of this Session? Could I recommend to him the evidence that the Northern Ireland Affairs Committee received from the renowned international law expert, Professor Alan Boyle of Edinburgh Law

School, in which he confirmed that all his advice to the Government is that the Bill does not breach international law?

Mark Spencer: I can assure the hon. Gentleman that the Bill will continue on the dates that have been announced. He will be aware that it is a Foreign Office Bill. The Foreign Secretary remains very much in her place, and I hope he will be in his place to scrutinise the Bill as it progresses.

Marsha De Cordova (Battersea) (Lab): May I associate myself with the comments of the Leader of the House and many other Members across this House on the 17th anniversary of the 7/7 terror attacks?

For the good of this country, we need a functioning Government, and at this precise moment we do not have one. Many Government Departments are without Ministers. Over the past month, I have met many Ministers and corresponded with them in writing on very important matters that matter to the people of Battersea. Can the Leader of the House give me an assurance that I will get timely responses at the earliest opportunity?

Mark Spencer: I can offer the hon. Lady that assurance. Ministers are being appointed as we speak. Those vacancies will be filled, she will get a timely response and her constituents will receive the service they deserve.

Wera Hobhouse (Bath) (LD): In Bath, we have soaring ambulance waiting times, NHS dentists and GPs are in crisis, and the cost of living emergency is bringing misery to scores of my constituents. There is no functioning Government left. How is it possible that the Prime Minister can continue in office even as a caretaker, amidst the chaos he has created? Will the Leader of the House bring forward a debate and a vote of no confidence in the Prime Minister?

Mark Spencer: It is good to see the hon. Lady back in her place for business questions. I know she has missed a couple, and I hope she is now well. I can assure her that there is a functioning Government. There are a few vacancies that are currently being filled, and they will be filled very soon and the level of service will continue at the high level it has for some time.

Derek Twigg (Halton) (Lab): In view of the comments from the Secretary of State for Defence at the Defence Committee this week on the ongoing situation in Ukraine, may we have an urgent debate in Government time to examine the need to increase defence spending and the number of defence personnel?

Mark Spencer: The hon. Gentleman will be aware of the commitment we made of extra cash for Ukraine and the security situation there. I hope he recognises that warfare is changing and the requirements of the MOD have changed over the past few decades, and that is why the MOD has been reviewing its requirements. We have a Secretary of State who is very much across his brief and very much in place and who will remain so for the near future.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Before the chaos of the past 24 hours, I had been promised a meeting with the former Secretary of

State for Levelling Up, Housing and Communities, the right hon. Member for Surrey Heath (Michael Gove), over the issues affecting my constituents relating to fire and building safety defects and the lack of co-operation with the Welsh Government about commitments from developers done on an England-only rather than a UK-wide basis to remedy those defects. Will the Leader of the House be able to assist me in getting a meeting with whoever is newly appointed to that role? These are serious issues affecting thousands of people.

Mark Spencer: I do not know whether the hon. Gentleman is aware, but my right hon. Friend the Member for Tunbridge Wells (Greg Clark) has been appointed to that Secretary of State role. I shall pass on the hon. Gentleman's comments directly to my right hon. Friend and make sure that we can arrange a meeting for him with the Department as soon as possible.

Patricia Gibson (North Ayrshire and Arran) (SNP): If the Prime Minister is permitted to remain in post until October following a leadership election, the Government of the UK will be in a state of paralysis until that time, with more than 25 ministerial vacancies and important Bill Committees cancelled across the House today. It seems that the Prime Minister is still only supported by political giants such as the right hon. Members for Mid Bedfordshire (Ms Dorries) and for Dumfries and Galloway (Mr Jack). No wonder the people of Scotland are deciding in increasing numbers that they are better off taking their future into their own hands. Will the Leader of the House make a statement setting out the importance of a Prime Minister who has lost the support of his own MPs and is now unable to govern resigning immediately so that an interim Prime Minister can be appointed?

Mark Spencer: I understand that the Prime Minister will make a statement later, and we await that statement with anticipation to see what is said, but I can assure the hon. Lady that the Government will continue to work away. She says that a number of Committees have been cancelled. In fact, some of them have just been rearranged and will continue in the usual way.

Ruth Cadbury (Brentford and Isleworth) (Lab): I associate myself with the remarks about 7/7. Hounslow Council lost a wonderful social worker, Ojara Ikeagwu, on that day. One of the key tasks of Government involves the basic functions that currently seem to be collapsing, such as the issuing of visas and passports. Members are not getting answers. Can the Leader of the House explain how the basic parliamentary tools of scrutiny will be addressed, such as getting answers to questions, whether oral or written, where there are either no Ministers or the Ministers are so new that they will take time to get their feet under the table?

Mark Spencer: The hon. Lady will be aware that where there is a vacancy, Ministers will be appointed very soon. The function of those Departments will be up and running quickly, and I can assure her that there are many talented people on the Benches behind me who will be able to take up those roles. [HON. MEMBERS: "Where are they?"] They are probably all waiting by their phones. I can assure her that once they are in place, they will be ready to give her the level of service that she requires.

Dame Diana Johnson (Kingston upon Hull North) (Lab): We had a wholly unsatisfactory response this morning from the Under-Secretary of State for Foreign, Commonwealth and Development Affairs, the hon. Member for Chelmsford (Vicky Ford), to the urgent question from the shadow Home Secretary, my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) about the meeting on 28 April 2018 between former KGB officer Alexander Lebedev and the then Foreign Secretary, now Prime Minister. Will the Leader of the House please arrange for a fully briefed Minister to attend the House on Monday to give a statement setting out the facts of what happened and who was told, particularly in light of what appears to be a clear breach of the ministerial code and potentially a criminal offence being committed?

Mark Spencer: As the right hon. Lady said, there was an urgent question this morning. There are matters of national security pertinent to this, and not all of them can be vocalised from the Dispatch Box due to their sensitivity. I will make sure I pass on her comments to the relevant Department, and I am sure they will respond in due course.

Navendu Mishra (Stockport) (Lab): I was pleased to learn recently that Davenport station in my constituency is to be finally awarded Access for All funding to make accessibility improvements, but Stockport station, which had almost 4.5 million passengers per annum pre-pandemic, still requires significant capital investment to ensure it is safe and accessible for all. It is the fifth-busiest station in Greater Manchester, but unfortunately we have leaky roofs, which often make platforms unsafe, and lifts are out of use. If there are any Ministers left in the Department for Transport, can the Leader of the House allow Government time for a debate on train stations across Greater Manchester to address these serious health and safety and accessibility issues?

Mark Spencer: I pay tribute to the hon. Gentleman for raising the matter. Disability access at our stations is important, and that is why the Department for Transport has invested millions of pounds in our rail infrastructure up and down the country. He will have the opportunity to raise that matter again in Transport questions on 15 September. I know from my own constituency that there are a number of challenges with railway stations that need improvements to allow disability access.

Deidre Brock (Edinburgh North and Leith) (SNP): openDemocracy tells us that 18 Ministers have refused to publish official diaries of the meetings they held during the pandemic, including the former Health Secretary, the right hon. Member for West Suffolk (Matt Hancock) and the Prime Minister. The new Chancellor, the right hon. Member for Stratford-on-Avon (Nadhim Zahawi) tells us that we will see "evidence and transparency" from the ministerial team and the Prime Minister in the future. Can we have a statement about the importance of the Government ensuring evidence and transparency in governmental business, that Ministers' diaries are made available to the public for scrutiny and also that distinctions between official, political and personal meetings are properly defined for the future?

Mark Spencer: The hon. Lady will be aware that there are strict rules around these sorts of declarations. I do not think it is possible to publish the diaries of all Ministers, as there are security implications about regularly publishing specific diary engagements, particularly for some Ministers who have security briefs. There are strict rules around what should be declared and the timelines around that.

Alex Sobel (Leeds North West) (Lab/Co-op): As we know, it is the end of days for this Prime Minister. It is also the end of days for this parliamentary Session before summer recess. The Leader of the House might not have seen the interview on the BBC this morning, where the Leader of the Opposition said that if the Conservative party do not get rid of the Prime Minister shortly,

“Labour will, in the national interest, bring a no confidence vote—because this can’t go on”.

Will the Leader of the House guarantee that 21 July will be the last day of this session, or will he try to bring that forward to avoid a vote?

Mark Spencer: I have announced the business for the next two weeks. The House will rise on 21 July. We await the Prime Minister’s statement this afternoon; I am not about to pre-empt what he may or may not say, but I assure the hon. Gentleman that the functions of government continue and will continue to move forward.

Kim Johnson (Liverpool, Riverside) (Lab): The Public and Commercial Services Union is opposing the closure of Toxteth jobcentre in my constituency, along with other centres nationally, and challenging the proposed 91,000 job cuts across the wider civil service and the attacks on pay terms and conditions across Government Departments. Will the Leader of the House grant an urgent debate in Government time so that we can scrutinise the Government’s plans to negotiate with PCS to avoid jobcentre closures and attacks on pay and conditions?

Mark Spencer: The hon. Lady is perfectly at liberty to apply for a Westminster Hall or Adjournment debate on that matter. It is worth recognising that there is huge global inflationary pressure and we as a Government must act responsibly with fiscal responsibility to ensure that we do not add to that inflationary pressure. That will require some pay restraint across the country.

Barry Gardiner (Brent North) (Lab): Last week, at business questions, I raised the issue of redundancies in the Royal Mail. I apologise to you, Mr Deputy Speaker, because I may have inadvertently misled the House when I said that there were 1,400 agreed redundancies and 900 in dispute. The actual figures are that 1,250 redundancies were achieved at Royal Mail and 542 are in dispute. The Leader of the House was good enough last week to say that he would raise the matter of the disruption to service with the Secretary of State for Business, Energy and Industrial Strategy, who I understand is still in his post. Has he done so? If so, will we get an urgent statement from the Business Secretary about the current disruption to postal services across the country?

Mark Spencer: The direct answer is yes, I have written to the Secretary of State. I hope that the hon. Gentleman will get a copy of my letter in his inbox very soon, if he

has not already. I know that Royal Mail has also written to the hon. Gentleman directly. I have not yet had a response from the Secretary of State; if I get one before he does, I will forward it to him.

Rachael Maskell (York Central) (Lab/Co-op): Greater than the crisis in Downing Street is the crisis in the Donbas and across Ukraine, but the Prime Minister remaining in office plays into Putin’s hands and undermines President Zelensky. Will the Leader of the House convey my concern, and that of many hon. Members, to the Prime Minister that he cannot continue in office if he wants to support the people of Ukraine? Will the Leader of the House bring a statement to the House about the impact of the Prime Minister’s behaviour on our foreign policy?

Mark Spencer: I gently say to the hon. Lady that we await the Prime Minister’s statement this afternoon and I do not want to pre-empt what he may or may not say. Most people in the country will recognise that he has been the leading voice in the world in taking the fight back to Putin and supporting Ukraine. He has shown great global leadership on the matter and if it were not for him and his efforts, Russia would now be in Kyiv and, probably, across the whole of Ukraine.

Jim Shannon (Strangford) (DUP): Yesterday, the Yazidi Justice Committee published its report, “State Responsibility and the Genocide of the Yazidis”, on the murder and mutilation of women and families, and lives that have been destroyed forever. It is undoubtedly difficult reading. It highlights the duty of Governments to prevent genocide occurring when a high risk has been identified. Given the situation in Afghanistan and the current threats to the Hazaras, it is time to debate how the United Kingdom can help to prevent future genocides. As I do every week, because these are important issues to raise in the House, I ask whether the Leader of the House will make time for a debate on that important matter.

Mark Spencer: I have not had the opportunity to read the report, which sounds harrowing. The hon. Gentleman is a true champion of religious freedom around the world, which the Government take seriously. I will pass on his comments to the Foreign Secretary, who shares his concern about the terrible actions that some states commit around the world.

Helen Morgan (North Shropshire) (LD): Since my election, I have been campaigning on ambulance response times in Shropshire. As a result of that campaign, local health leaders have been preparing for a visit from the Minister for Health, the hon. Member for Charnwood (Edward Argar), in the coming weeks to see how they have been doing to improve the situation. My understanding is that the Minister resigned yesterday evening, so that visit is on hold, postponed or maybe even cancelled. Can the Leader of the House bring forward a debate in Government time on the national ambulance situation? People are dying avoidable deaths not only in North Shropshire but across the country and it is time that the Government got a grip of it.

Mark Spencer: The hon. Lady will have the opportunity to question the Secretary of State directly at Health and Social Care questions on 19 July. I hope that she will

recognise the huge investment that the Government have made in our health services up and down the country. We are working hard to improve ambulance waiting times and to support her constituents and those across the whole of Shropshire.

Mr Deputy Speaker (Mr Nigel Evans): I thank the Leader of the House for his statement today, on what has clearly been a busy day for him, and for responding to questions for over three quarters of an hour.

Point of Order

12.25 pm

Dame Angela Eagle (Wallasey) (Lab): On a point of order, Mr Deputy Speaker. We have had two urgent questions today where Ministers have come to the Dispatch Box and told us that they have no knowledge of the things that they are meant to be answering on, which completely undermines the point of having UQs. Certainly, when I was a Government Minister, I would not have thought of coming to the House of Commons and merely saying, “Oh, I don’t know. Nobody’s told me. I don’t know what the information is.” I know that the Chair does not have any say on the content of ministerial responses, but that seems to be a sinking of standards to such an extent that UQs are becoming a laughing stock. That surely cannot be right for the accountability of Government Ministers to this place.

Mr Deputy Speaker (Mr Nigel Evans): I thank Dame Angela for her point of order. As she has stated, the Chair is not responsible for the content of responses or who gives responses. I suspect that the only thing I can say is that we have lived in interesting and exceptional times over the last 48 hours. I am sure that those on the Treasury Bench have heard exactly what she has said and will get that through to the relevant Government Departments.

SUPPLY AND APPROPRIATION (MAIN ESTIMATES) BILL

Motion made, and Question put forthwith (Standing Order No. 56), That the Bill
be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

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

Question agreed to.

Bill accordingly read the Third time and passed.

Backbench Business

Economic Crime: Law Enforcement

[*Relevant document: Eleventh Report of the Treasury Committee, Session 2021-22, Economic Crime, HC 145, and Responses, Session 2021-22, HC 1261.*]

12.27 pm

Kevin Hollinrake (Thirsk and Malton) (Con): I beg to move,

That this House notes that economic crime costs the UK economy at least £290 billion per year; recognises that law enforcement agencies are significantly under-resourced to deal with the scale of the problem and can be unwilling to properly enforce existing laws; is concerned at the fragmented nature of the enforcement landscape; and calls on the Government to bring forward an economic crime enforcement strategy that allows for a significant increase in resource to expand and restructure the fight against economic crime, including money laundering and fraud.

I thank the Backbench Business Committee for granting this important debate and the right hon. Member for Barking (Dame Margaret Hodge), who has worked closely with me on this issue. Too often in this place, we talk about legislation and not implementation. As the motion says,

“economic crime costs the UK economy at least £290 billion per year”—

probably a lot more than that—and our agencies are “significantly under-resourced” and “fragmented”.

I would like to say that things will get better, but actually they will get much worse. That is not a criticism of the Government or any of our agencies, although there are criticisms to be levelled; the reality is that things are moving so quickly in this space and in the ability of organised criminals—people who deal drugs, traffic people across continents, fund terrorism, and steal assets from foreign jurisdictions and foreign nations—to move money around.

Let me set out an example of how easy this is becoming—these are all instances running through one platform. There is a hackers group called Lazarus, which is in effect a state-funded agency for North Korea that funds the North Korean weapons programme. There is also Hydra, a dark net drug dealing network, as well as Grandefex, which is run by organised criminals, and Russian Government agencies. The thing they all have in common is that they use a crypto-exchange platform called Binance, set up by a guy called Changpeng Zhao.

Reuters has investigated how those organisations used Binance to move money around totally anonymously between 2017 and 2021. Until 2021, this was regulated by the Financial Conduct Authority, but still for this crypto-exchange, which moved bitcoins and lots of other currencies totally anonymously for those enterprises—for those funding terrorism and other nefarious enterprises—all people needed to do in order to register an account was to enter an email address. That was all people needed to do. There were no “know your customer” checks, no “know your client” checks and no ID requirements. People just had to enter an email address, which could easily be a fake one, and the money was moved around totally anonymously.

The owner of the organisation, Mr Zhao, said as recently as 2020, when speaking to his own staff, that he was driven by one thing and one thing only: growing his

enterprise. This platform has now been banned in the UK as a regulated activity, but that does not stop UK people actually using it, because that is obviously how the internet works. He told his staff to “do everything” to increase market share, and spoke about “know your client” checks as being “unfortunately a requirement”.

The investigation by Reuters found that £2.35 billion was moved around in this way for nefarious ends, but a couple of billion pounds is just scratching the surface when we know that the amount of money washing through the UK is in the hundreds of billions of pounds. The UK plays a key role in this, and it is a role that we must acknowledge, and we must take responsibility for clamping down on this. We are getting nowhere near doing so at the moment.

We know that roughly 40% of our crime is economic crime, yet only 0.8% of our resources in man hours are dedicated to tackling economic crime, so there is a huge disparity. I think it is fair to say that the figure of £290 billion a year is a conservative estimate. It represents about 14.5% of our GDP as a cost to the UK economy, yet the application of resources to it adds up to 0.04% of GDP. There is a massive gulf in the cost to society and to this nation, as well as in many other ways. It is not just a financial cost, of course. As I say, there is drug dealing, people trafficking and all the things we are trying to tackle, yet money goes out through the backdoor to all these illegal enterprises.

Action Fraud reports on the impact on individuals, and I think that all of us, as constituency MPs, deal with individuals who have had money stolen from their accounts through things such as authorised push payment fraud. Action Fraud is not the most fit for purpose organisation on the planet. Anybody who has used it knows that the information just goes into a black hole, which is what Action Fraud is. It is going to be reformed, but just changing something’s name does not make it work. However, according to Action Fraud’s figures, £2.35 billion a year goes in that kind of small-scale fraud, which damages our constituents and small businesses directly.

John Penrose (Weston-super-Mare) (Con): I congratulate my hon. Friend and the right hon. Member for Barking (Dame Margaret Hodge) on bringing this important debate to the House. Does he agree that to some extent our public debate about this is stuck in a 1980s time warp? We are all still talking about bobbies on the beat, when increasingly we need to have bobbies behind screens, patrolling digital highways rather than pavements. Without that, public trust in maintaining law and order and maintaining the credibility of the system will continue to be seriously eroded.

Kevin Hollinrake: That is absolutely right. My hon. Friend has much experience and expertise in this area as the former Government anti-corruption champion. He is absolutely right that we are tackling this in an analogue way in a digital era, and that we need to look at it completely differently. This is about enforcement and resources, and understanding the scale of the problem and meeting that with the right scale of response. However, we also need to look at legislative areas, because there are things we could do to make sure we get a better bang for our buck from our enforcement agencies, rather than just have more and more people, and I will talk about some other measures shortly.

On my hon. Friend's point, at the moment 0.8% of our police and enforcement agencies' time is spent tackling economic crime. Of the 20,000 new police officers who are going to be recruited, 725 are going to be dedicated to economic crime. That is better, but it is still only 3.6% of that cohort, so he is absolutely right. Her Majesty's inspectorate of constabulary says that 90% of cases of economic crime are not even looked at, which is shocking.

The FCA is responsible for controlling money laundering in our financial organisations. Most of this runs through financial organisations—not just through the likes of Binance, which are shadowy enterprises—and I will talk about our main institutions in a moment. For money laundering purposes, the FCA regulates 22,000 organisations, which is a huge number, of which 5,000 are defined as high-risk organisations for money laundering. Last year it did 200 checks—only 200 out of those 5,000—and some of those were desktop checks, for money laundering. I would argue that we are never going to be able to tackle this just by having more and more people, although we do need more people.

This is not just about Binance. I am sure that, sooner or later, we will catch up with Binance. At some point in time, it will be banned, fined or something. In particular, the German regulators and the US enforcement agencies are on to it. Binance is based in the Cayman Islands, as Members might imagine. This is about our UK institutions as well.

If we look at our banks, we see that they have a horrendous record. HSBC was fined £1.4 billion for facilitating money laundering for Mexican drug cartels—the Escobars of this world—in 2012. That was a £1.4 billion fine, and it was fined another £64 million in 2021 for facilitating money laundering offences. In 2019, Standard Chartered was fined £840 million in the US and £102 million in the UK. In 2021, MT Global was fined £23 million by Her Majesty's Revenue and Customs for money laundering offences. NatWest was fined about £260 million this year, which was the first ever corporate criminal prosecution by the FCA. I welcome the fact that this year is the first time this has ever happened for historical money laundering offences. UBS has had the biggest ever fine—£3.2 billion by the French authority in 2019.

Danske Bank has facilitated £200 billion of money laundering offences, but it has not been fined yet. This has been identified, and it will be fined for the £200 billion of Russian money coming out of Russia and being spread around the world, with it all going through small banks in Estonia via Danske Bank—horrendous. We talk about how Putin funds his invasion of Ukraine. He does so by keeping a coterie of people around him who are stealing Russian assets and making him—there is no doubt about this—the wealthiest person in the world. However, we are facilitating this, because UK companies are involved in the shell companies moving that money around.

I could cite other examples of economic crime from my involvement with the all-party parliamentary group on fair business banking. Criminal fraud at Lloyds HBOS was proven in 2017, and the cover-up associated with that is an utter disgrace. We are yet to see the Dobbs review, which later this year should identify the scale of the cover-up by Lloyds of what went on at HBOS. We have also seen the problems with Royal Bank of Scotland's Global Restructuring Group, which

devastated tens of thousands of businesses, in effect by defrauding businesses of their assets. On all those occasions, all those businesses ever got was a fine. Not a single senior executive in any of those cases has gone to jail. What we need is personal liability or this stuff will just be seen as a cost of doing business. That is the reality.

Mims Davies (Mid Sussex) (Con): My hon. Friend speaks with knowledge and clarity about these crimes, and about the impact on constituents and the global impact—the two are very much interlinked. Many of my constituents have been impacted, to the tune of hundreds or thousands of pounds, which then filters into the global impact. How can we tackle this problem without people feeling that the answers are beyond them? We are talking about the global scale but this is affecting individuals; the two are inextricably linked and people want to see action.

Kevin Hollinrake: That is the right question. These problems are not difficult to solve if people are willing to apply the right rules. On the money taken from my hon. Friend's constituents, there is probably an organised criminal gang behind that, contacting the constituent, saying they should move the money, and when they do that the money is probably moved through a mule account in one of the major banks and then off somewhere else, offshore, and it then disappears into the ether. The reality, of course, is that the banks would clamp down on mule accounts if they had the right incentive or the willingness to do so. These crimes can be stopped, but people will not stop them until that is in their interests to do so, and we need to make sure that is the case. Yes, we need the enforcement and enough people, but we need the people who are currently facilitating this, who are largely UK-based in this context, to be willing to prevent it.

The UK plays a particular role in all this economic crime. It is seen as a place where money is laundered, not necessarily where it is kept, although that is different in the case of kleptocrats or Russian oligarchs. The money is usually laundered in the UK and then goes off to other jurisdictions, largely the US. That is because of the consolidation of expertise in the City of London—we should be very proud of the City—and the financial organisations and the advisers who sit around them, who are also culpable in this regard. We have strong regulation in some areas and very weak regulation in others, particularly on offshore regulation, where in the UK there is a particular relationship between its domestic regulations and what happens offshore.

Jim Shannon (Strangford) (DUP): Banks are very strict with local customers, and rightly so, but not with the movement of large sums of money, unfortunately, including the £200 million sent from Estonia to Northern Ireland, which I understand has been highlighted on "Panorama". The Government seem to focus on the ordinary account holders being regulated strictly, but they do not seem to have any level of regulation for the big money movements. Does the hon. Gentleman agree that we need to focus on that bigger picture?

Kevin Hollinrake: The hon. Gentleman is right. The regulations are there but the penalties are not sufficient. The people within Danske Bank knew that they were doing wrong when they moved €200 billion out of

[Kevin Hollinrake]

Russia and into other parts of the world, but there was no incentive to do anything about it because they made a huge amount of money as it flew through their systems. A local manager, a mid-tier manager or even a senior executive would think, “Well, we’re making money and nobody’s going to find out, and if we are found out there will be a fine down the line and I will have gone by then anyway.” So where is the incentive to clamp down if they are going to make lots of money out of it? After all, everybody has budgets and targets to hit, and bonuses on the back of them. That is the problem: the penalties and enforcement need to be different.

Another key reason why money is washed through the UK is that we have the overseas territories, tax havens that work on the same basis of common law—Jersey, the Cayman Islands and the British Virgin Islands. Money launderers do not want to pay tax on their money, so they put it through a jurisdiction with low or zero taxation. That is why the UK plays a major role in facilitating this, and also why it must play a major role in clamping down on it.

We do not do clamping down very well here, however. Our enforcement agencies have success in some regards, but they are nowhere near as successful as other jurisdictions, for example the USA, which is far more focused on this. The US has similar bribery laws to the UK, introduced in 2011. In 2020 the US fined organisations in the US £1.85 billion for bribery offences, which is more than the UK has fined in 10 years. The situation for money laundering sanctions is very similar: in 2019 the UK fined our banks £260 million in the entire year for money laundering offences, while the US fined £7.5 billion, including £2.5 billion of criminal sanctions. Almost every one of our agencies is underfunded and under-resourced in tackling this problem.

What do we need to do? My colleague the right hon. Member for Barking will talk about some of the measures, but I will focus on the key things that I think we need. We must ringfence a budget for tackling economic crime right across the piece in the UK, to see exactly how much we are spending on tackling organised crime. We need fewer agencies, too; the effort must be more consolidated so the lines of reporting are less fragmented and more direct.

Action Fraud must not just be a rebadged enterprise. It needs to be meaningful, and people need to have confidence that the offences reported to it will be dealt with. I was recently nearly scammed through WhatsApp when I thought my son had contacted me, but it was another person. I wondered whether to report it to Action Fraud, but I thought, “What’s the point? It’s not going to do anything about it.” That is why people do not report such incidents. Clearly, therefore, there are many more offences than the number reported.

The No. 1 thing we need to do is something the Government have talked about. We already have a failure to prevent offence. There is corporate criminal liability in the UK if people fail to prevent bribery in their organisation—that offence was introduced some years ago, I think in 2011—and also an offence of failure to prevent tax evasion. People cannot just stop that happening; they have to put the rules in place to stop it happening. The key thing is what they can do to stop this. They therefore put systems in their organisation to alert them

to certain things happening, and they train staff that they cannot get involved in bribery or facilitate tax evasion. We need to extend that to failure to prevent economic crime.

The Government have been talking about this for some time, and the Law Commission has reported on it. It said we should introduce such an offence but probably for fraud alone, not for money laundering or things like false accounting. I think that is a big mistake. It is also very mealy-mouthed on including personal liability for directors; it says it could be added if they have the mental something—what is the word?

Sir Robert Neill (Bromley and Chislehurst) (Con): Mens rea.

Kevin Hollinrake: Thank you; that is right, whatever it means in English.

Sir Robert Neill: A guilty mind.

Kevin Hollinrake: Thank you. On that basis, only if it can be proven that the directors had a guilty mind and were actually participating in the fraud can they go to jail. That is the wrong approach, and is not what the Health and Safety at Work etc. Act 1974 said. The Act said that those who fail to prevent accidents in their workplace could go to jail, and construction deaths dropped in the following year by 90%. We need to put in place an offence such that those who fail to take reasonable steps to prevent and clamp down on fraud can go to jail, without it also being necessary to prove that they deliberately facilitated the fraud. That would make a fundamental difference.

We must support whistleblowers, too. Most of the information on these offences will come not from our enforcement agencies or investigations by regulators, but from people within the organisations. Currently, those people are not protected—

Mr Deputy Speaker (Mr Nigel Evans): I remind the mover of the motion that the guidance says they have up to 10 minutes, and the hon. Member has now spoken for longer than that times two. Perhaps, with a bit of focus, he will now bring his remarks to a conclusion.

Kevin Hollinrake: I have so much to say on this; I apologise, Mr Deputy Speaker.

Finally, as well as beefing up the numbers, we should consider doing what we have done on unexplained wealth orders. Welcome Government legislation that was brought forward in the last Session capped costs for UWOs, and we should consider capping costs for all prosecutions of economic crimes to stop very wealthy individuals preventing our enforcement agencies from taking them to court merely because they have huge financial firepower that is much stronger than ours.

On that, I will conclude. I am very sorry, Mr Deputy Speaker, that I have taken so long, but, as I said, I could talk for much longer on this given the chance.

Mr Deputy Speaker: I remind the hon. Member that, at the end of the debate, he will have two minutes to conclude, not four. [Laughter.]

12.49 pm

Dame Margaret Hodge (Barking) (Lab): It is a bizarre day to be debating a really important issue. I am grateful to the Backbench Business Committee for selecting it, and it is a privilege to follow the hon. Member for Thirsk and Malton (Kevin Hollinrake), with whom I am working closely on many of these issues. I will say something a bit general before moving on. Have I got 10 minutes, Mr Deputy Speaker, or a little bit more?

Mr Deputy Speaker: You are not constrained. All I would say is to focus—

Dame Margaret Hodge: I will keep it tight.

It is shocking but true that it was the tragedy of the war in Ukraine that got our Government to start thinking about the serious threat that the country faces, in both our economy and our society, from the spiralling menace of illicit finance and all that goes with it. I have said many times in the House, and I repeat today, that we will never enjoy sustained, good economic prosperity on the back of dirty money. We earned the reputation on which our superb, successful financial sector was built by being a trusted jurisdiction, and we must maintain that. Today, we are in danger of losing that trust.

The US sees us as a high-risk jurisdiction similar to Cyprus, and Londongrad is becoming a popular term among many. We have moved off our perch as the world's leaders in fighting economic crime. Moody's has downgraded us, and we are slipping down the ranks of Transparency International's corruption perception index. Everything is moving in the wrong direction. That is no surprise because, as the hon. Member said, economic crime is now massive. It costs the country £290 billion annually—more than a quarter of the Government's total public expenditure—and all of us who are concerned with this area know that that figure is conservative. The latest figures from UK Finance that came out last week suggest that in 2020 there was an 8% increase in fraud, which of course is the biggest component of economic crime.

Much illicit finance, but not all, comes from Russia, through Russian companies and Russian individuals. As various Select Committee reports on the subject show, for too long we have turned a blind eye to the threat that Putin's kleptocratic regime poses to our economy. Why did we do nothing after the assassination of Alexander Litvinenko in 2006, or after the poisoning of Sergei Skripal in 2018? Those were two brutal attacks on British soil.

We must add to that the findings of a recent report by BuzzFeed News investigations, which established that between 2003 and 2016, there were 14 more suspicious deaths in the UK of individuals who were hostile to the Russian state. I will mention just three of them. Stephen Curtis, the British lawyer who helped the laundering of money—potentially billions of pounds—in the UK for wealthy Russian oligarchs, died in a helicopter crash in 2004. Alexander Perepilichnyy blew the whistle on a multimillion-pound Government fraud in Russia. He fled to Britain, and died of a so-called heart attack when jogging near his home in Surrey in 2012. The coroner's inquest said that he died of natural causes, but evidence given, I gather, behind closed doors for national security reasons said that there was no natural cause

determined. Some suspect that he was poisoned. Boris Berezovsky, who made his wealth during the collapse of the Soviet Union, was famous because he was key in supporting Putin and getting him into power in Russia. In 2013, he was found hanged in his home.

Those are only three of 14 cases, but in all of them the police concluded that the deaths were not suspicious. There was no investigation, or indeed any suggestion that those were Russian state-sanctioned murders, although the US intelligence services told our police that they thought the deaths were likely sanctioned by the Kremlin. Were the police just incompetent? I doubt it. Was there pressure from somewhere else—from either our security services or our Government—to turn a blind eye to the possibility that those were state-sanctioned murders? American intelligence officials told BuzzFeed journalists that Russian killers had been able to kill in Britain with impunity. They said that one of the reasons for the reticence of enforcement agencies to act was

“a desire to preserve the billions of pounds of Russian money that pour into British banks and properties each year.”

As we debate the failures of our enforcement agencies in tackling illicit wealth, we should bear in mind that the problem goes well beyond the funding, the skills and the effectiveness of the enforcement agency. If we are really to eradicate dirty money, we require action on a wide number of fronts, as the all-party parliamentary group for fair business banking and the all-party parliamentary group on anti-corruption and responsible tax have said. We have put together a good manifesto that could form the start of concerted action to rid us of this terribly bad thing. We talk in the manifesto about action on four fronts. We need smart regulation, much greater transparency, proper accountability and enforcement. We are debating enforcement today.

All those measures are interdependent, and I worry a lot that the Government's response through the economic crime Bill, which should be with us in the autumn, will be too little and too fragmented. Reform of Companies House, for which we have argued for a long time, is necessary but not sufficient. So are reform of anti-money laundering regulations, and an open register of property owned by foreign countries. We need co-ordinated action on many fronts if we are to clean up dirty Britain.

Today, we are focusing on enforcement. Our performance is abysmal, our record in successfully bringing bad players to account is miserable and our commitment to doing the job properly is questionable. The evidence—the hon. Member already talked about some of it—is overwhelming. The Bribery Act was introduced in 2010, and in the UK we have had 99 criminal convictions and six deferred prosecution agreements. The USA, with a similar legislative framework, has had 236 convictions in the same period. As I understand it—I could not find one, but if I am wrong, I stand to be corrected—we have never pursued a criminal prosecution against a bank for money laundering or sanctions busting. We use civil measures, but never criminal ones. In 2019, we had civil fines of £260 million. In the same year, the Americans pursued criminal action against and secured £2.5 billion from just six banks, and they secured £5 billion in civil fines.

As the hon. Member said—it is worth repeating, because it is so shocking—the Financial Conduct Authority fined HSBC £64 million in 2021 for AML failures, but nearly a decade before, it was fined £1.4 billion in America for AML offences. Standard Chartered is a

[*Dame Margaret Hodge*]

British bank, so we ought to be the ones who are really responsible for ensuring that it behaves itself. What do we get from it? Fines for wrongdoing under anti-money laundering regulations of £102 million. What do the Americans get? Over 800% more: £842 million. Yet we know from the FinCEN—the Financial Crimes Enforcement Network—files that too many of our banks and too many individuals who work in our banks either passively collude with economic crime, or actively promote and facilitate money launderings. The banks that are implicated are so often the biggest British-based banks: HSBC, Barclays, Standard Chartered.

What we do in Britain is pursue the little businesses, the little men and women who are trying hard to establish new businesses here. That came home to me very much when I chaired the Public Accounts Committee and we had the leaks relating to HSBC—they were called the Falciani leaks. There were more documents relating to British accounts than, I think, for any other nation. There were 3,600 British accounts. At the time, the tax authorities said to us that there was cause for concern with about a third of those. Out of that third—about 1,200—they finally found 150 cases. How many did they pursue? One individual was charged. I could not find, in my search of Google, whether that individual was ever convicted. Look at how other countries dealt with it: every other country managed to charge more people, fine more people and get some compensation. The only thing that happened with us was that Rona Fairhead, now in the House of Lords, was on the board of HSBC at the time and was responsible for the audit committee. I cannot understand how anybody with that responsibility could not have seen a red flag when looking through the accounts from the Swiss branch of HSBC and seeing the profits being secured. The only thing she said was that she declared that the whistleblower was a criminal and that the only thing that HSBC should do was pursue the whistleblower and try to get him imprisoned.

Fraud is the crime that now affects one in 11 adults in the UK, yet convictions for fraud have collapsed by two-thirds in the past three years—cases up and convictions down. The number of criminal cases the Serious Fraud Office, in which we had great confidence, has under investigation has halved over the past three years. There have been some disastrous failures in the courts through the SFO with Serco and Unaoil, where it lost cases simply because it did not share information in a proper way—it failed to disclose relevant material to the defendants. There are lawyers in the Chamber. I am not one, but I cannot believe that it actually did that.

Andy Slaughter (Hammersmith) (Lab): My right hon. Friend is making an excellent analysis of the situation. At the moment, the SFO is itself being investigated by a former Director of Public Prosecutions and being sued by the people it should be investigating. It lacks the money, the personnel and the powers to do its job. It has a £53 million a year budget against hundreds of billions of dirty money. This is a peashooter against an elephant, is it not? This needs reform urgently.

Dame Margaret Hodge: I completely agree with those observations, which are so well made.

The National Crime Agency has dropped its prosecutions by 35% in the past five years. The record of Her Majesty's Revenue and Customs, which we do not often talk about, is equally awful. It sees its purpose entirely as simply getting tax revenues in. That is important, but it also has a duty to ensure that anybody who acts unlawfully in the way that they deal with the revenue authorities—or, more seriously, evade tax—is pursued. Yet it simply does not see that as part of its functions. Compare that to the Department for Work and Pensions, where anybody who has an allegation of fraudulently claiming benefit is pursued with vigour by the authorities in that agency. A similar attitude should be taken to what I consider the serious crime of deliberately avoiding tax and not paying into the common pot for the common good.

There are some egregious cases of schemes dreamt up with no purpose other than to avoid tax. One example was Working Wheels, which hit my desk when I was Chair of the Public Accounts Committee. In that instance, the person who wanted to avoid tax pretended that they were selling second-hand cars. That created money that then whirled through the system to create a debt, which they were able to claim against the tax liability from their legitimate earnings. Chris Moyles was persuaded that he could become a second-hand car dealer. Telling people that you are a second-hand car dealer is fraudulent. It is a fraud. And why that is not pursued with the same vigour as somebody who tries to lie about their circumstances to get a better benefit settlement is beyond belief. One of our recommendations is that HMRC should have an absolute statutory duty to pursue wrongdoing with the same vigour with which it pursues getting money into our coffers.

All the agencies are grossly underfunded. The Government trumpet the £100 million they will get from the economic crime levy, but that is peanuts when set alongside what the banks themselves spend on anti-money laundering and what other countries spend. Under Biden, the Americans have increased their expenditure on enforcement by more than 30%, because they define it as a security issue. What have we done here? We have had a real cut of 4.5%.

We have lots of ideas that would not require a call on taxpayers' money. We could enable a percentage of the fines collected from successful actions to be used to fund further activity and staffing within the enforcement agency. We could follow the American example and say that costs incurred by the defendant, were we to lose cases, should in no way be met from the public purse. Why should people against whom we allege wrongdoing in relation to Government funding be allowed such a contribution? One thing we will come back to is the sanctioning of individuals. We have frozen the assets of a lot of Russian oligarchs, but we have no mechanism to seize those assets. A move from freezing to seizing—we are doing some work next week to look at the practical changes that would have to be brought in to enable that to happen—would release more resources not just for enforcement activity but, in this instance, to help with the reconstruction of Ukraine after the war.

Staffing must grow. For example, there are only 118 employees to deal with more than half a million suspicious activity reports a year that the agencies receive. By my arithmetic, that is 4,250 reports per official. In Germany, there are 500 reports per official. In Australia,

there are 1,400 reports per official. They are all better staffed than we are here. This is so much an invest-to-save activity. It is a nonsense that the Government do not distribute their resources in a way that enables that to happen.

There is also the chaos of our existing regulatory infrastructure, which is fragmented. As the hon. Member for Thirsk and Malton said, lots of stuff falls through the holes. A lot of whistleblowers and people come to me with cases, and I refer a case to one agency, which tells me to refer it to another, and it then disappears and I never hear about it again.

We must take on board the failure of the professionals to self-regulate. There are too many bodies; 13 bodies supervise the accountancy sector. The hon. Member and I met representatives of one of those the other day. I think that they have suspended seven people in the past year. That is a nonsensical figure in relation to the activity that is taking place—the collusion and facilitation of wrongdoing—so we have to sort out the regulation of the enablers and the regulator. There is an overarching regulator, which regulates all the regulators. That should be sorted out and personal responsibility must be taken.

I will make two other points. The most egregious case that I have come across—this is a comment on all our regulatory systems and our failure to enforce—relates to Lebanon, where there was a tragic explosion in a warehouse that had fertiliser, which was supposed to go to Mozambique. That resulted in hundreds of deaths, thousands of injuries and massive damage to property. A few weeks after that occurred, I got a phone call from a Reuters journalist with whom I regularly work. He told me that the company that owned the fertiliser was British-registered. I gave my usual comment about “hopeless, lax regulation” and did not think twice about it. About three weeks after that, I got a number of phone calls from people in Lebanon, the Lebanese Bar Association and others. It emerged that the company had been set up here as a UK-based company by a woman in Cyprus who was in fact the company service provider. She put herself down as the beneficial owner, but she obviously was not. She told HMRC that it was a dormant company, but it obviously was not because it was dealing in fertiliser. It then emerged that the real owners were Russian-Syrians and that the fertiliser was going nowhere near Mozambique, but to Assad to be used in barrel bombs to kill his people. That is a shocking story, but it demonstrates how our regulatory infrastructure and the failure of our enforcement agencies damages the lives of people not just here at home but abroad.

I have a final story, which, again, causes me great concern. After the Kazakhstan tragedy—a demonstration against the kleptocrats who run the regime where Russian soldiers were used to fire at the crowds and people were killed—two British academics came to me with their research, which demonstrated that there were 30 individuals in Kazakhstan who were involved in money laundering and human rights abuses and whom we should sanction. I used the privilege of the House to mention the 30 individuals in an Adjournment debate and then sent the list to the Foreign Office. A few days after that, I got a letter from one of the people I had named, asserting his innocence. Obviously, he wanted me to respond outside the House, so I acknowledged the letter and did nothing more. I then got a second letter with a phone

call, asking whether we had received the letter. My assistant said that we had. I then got a letter from the desk at the Foreign Office asking me whether we had received the letter, whether we were responding and what we were going to do about it. I asked the Foreign Office why it was pursuing this and on whose behalf it was working. It said that it thought that it was important to facilitate relations between kleptocrats and British politicians.

That is shocking and leads me to think: are the Government really serious about bearing down on all the economic crime and corruption that week after week, year after year, we talk about in the House? If they are, they must pursue consistently and vigorously every instance of it, and not just the Russian kleptocrats—evil though they are—but kleptocrats elsewhere who are stealing from and killing their people and creating instability in the world.

1.15 pm

Mary Robinson (Cheadle) (Con): I thank the right hon. Member for Barking (Dame Margaret Hodge) and my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake)—the chairs of the all-party groups on anti-corruption and responsible tax and on fair business banking respectively—for securing this important debate. As chair of the all-party group for whistleblowing, I also thank them for making the APPG’s proposal to create an office for whistleblowers a policy recommendation as part of their “Economic Crime Manifesto”.

The recently published “Economic Crime Manifesto” presents the Government with good recommendations on how they can robustly tackle economic crime. Taken together, the manifesto’s four umbrellas for reform—transparency, enforcement, accountability and regulation—work to stop economic crime from all angles and at all levels. I ask the Government to give proper consideration to the detailed proposals made in the manifesto, if they are serious, as I know they are, about fighting economic crime.

The motion recognises the enormous cost of economic crime to the economy of £290 billion a year. It calls for an economic crime enforcement strategy and a restructuring of the fight against economic crime. That is much needed and part of that, in my view, is the office for whistleblowers. That office, which comes under the manifesto’s “Accountability” heading, would go a long way to supporting the detection of economic crime by supporting the individuals responsible for detecting the majority of fraud.

The Association of Certified Fraud Examiners, in its 2022 “A Report to the Nations”, found that 43% of fraud was detected through whistleblowers versus just 15% by internal audit and 3% by external audit. Whistleblowers are the single most cost-effective detection tool yet, as it stands, there is little to incentivise whistleblowers to come forward with information. When they do, they face, at best, being ignored, stifled and gaslit and at worst, having their careers and lives destroyed. When an employee blows the whistle, they risk retaliation, harassment, unfair dismissal and blacklisting and, as we have heard in relation to some crimes, much worse.

Meanwhile, the bosses of economic crime gangs take money from hard-working taxpayers and funding from much-needed public services. Although the knowledge of having done the right thing may be sufficient reward

[Mary Robinson]

for many, it is the personal cost that deters so many others. With little to look forward to but possible pain and suffering ahead, is it any wonder that people choose not to speak up?

To combat economic crime, we need a shift in society, where people feel confident to come forward and are supported in doing so. Disturbingly, the National Crime Agency believes that just 20% of incidents of fraud are reported. Although the Office for National Statistics crime survey reports more than 3 million incidents of fraud a year, the true figure could be five times that.

While a whistleblowing-positive culture will uncover more economic crime that will need investigating, the office for whistleblowers would support law enforcement. The office would be responsible for setting, monitoring and enforcing standards for the management of whistleblowing cases, would provide advice services and a clear avenue for disclosures, and would direct investigations and handle redress for whistleblowers. Although the current whistleblowing legislation covers only employees, anyone who blows the whistle—witnesses, contractors and many others—would be supported by the office for whistleblowers. If we want to combat economic crime effectively, we need to know about instances of it, to understand the scale. If we want to understand the scale, we need those with the information to come forward. If we want people to come forward, we need them to be able to do so without repercussions.

Serious and organised crime funds gangs and results in public and private money co-mingling with drugs, human trafficking, arms dealing and more. At a time when the state and individuals can least afford it, billions of pounds are being funnelled into illegal activities, despite modern and sophisticated crime detection techniques. Despite Government efforts over recent years, we are continuing to lose vast sums to criminals. That suggests to me that a new approach to handling economic crime is needed. I thank the right hon. Member for Barking and my hon. Friend the Member for Thirsk and Malton for securing this important debate; I am happy to support the motion.

1.21 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): I thank the hon. Member for Thirsk and Malton (Kevin Hollinrake) and my right hon. Friend the Member for Barking (Dame Margaret Hodge) for bringing this debate to the House and for all their work in bringing together the superb set of proposals in the economic crime manifesto. It is an important debate for us to have, even on a day like this, for the simple reason that at the heart of every autocracy, every dictatorship and every tyranny is corruption. Those who enable that corruption enable dictatorship, tyranny and autocracy. Our country led the industrial revolution and is a proud hub for the global financial services industry. Just as we once destroyed slave trading around the world, it is imperative that we destroy economic crime around the world in the 21st century. That is why the debate is so important.

I commend the all-party groups for the publication of their economic crime manifesto. I draw the House's attention to the Foreign Affairs Committee's contribution to the debate—our report published last week. The conclusion

that we reached, which is set out clearly at paragraph 14, is a pretty damning indictment of where we have ended up:

“The Government's unwillingness to bring forward legislation to stem the flow of dirty money is likely to have contributed to the belief in Russia that the UK is a safe haven for corrupt wealth.”

The ecosystem of wealth managers, lawyers, PR merchants, bankers and estate agents who enabled Putin's kleptocrats have contributed to the strength of Putin in Russia and therefore to the prosecution of war in Ukraine—that is the conclusion that the Foreign Affairs Committee came to last week.

Andy Slaughter: My right hon. Friend is speaking very well on the subject, as he always does. We have heard that the oligarchs use Londongrad as a playground, not just for leisure and lifestyle but for criminal activity, because law enforcement is too weak. What adds insult to injury is that when journalists and private investigators step up to expose what is going on, they are subject to punishment from the institutions of this country—the courts—through SLAPP, or strategic litigation against public participation. The people who are getting away with it are the people who should be in the dock.

Liam Byrne: Exactly. My hon. Friend is absolutely right.

I will quickly run through five parts of the economic manifesto that have to be at the core of the next economic crime Bill. One of the virtues of having this debate today, at this moment of great flux in our politics, is that I hope to put on the record the cross-party consensus that now exists about the provisions that need to go into economic crime Bill 2.

Many of us argued for a long time for the first Bill, which was rushed through the House in record time for obvious reasons. Many of the amendments that improved the Bill came from participants in this debate. What we are saying to the Government today, through the good offices of the Minister, is that the Bill did not go far enough—it did not begin to touch the scale of the problem. There is therefore an expectation that when the Government draw together the provisions of economic crime Bill 2, they will look at the economic crime manifesto, the Foreign Affairs Committee's report and the text of this debate.

Kevin Hollinrake: The right hon. Gentleman is making an excellent speech. May I recommend that the Minister—or the Minister responsible, when that Minister is in place—also reads the Treasury Committee's report “Economic Crime”, which sets out recommendations similar to those of the Foreign Affairs Committee?

Liam Byrne: The hon. Gentleman is absolutely right. The joy of the Minister's position must surely be that Members of this House have done the heavy lifting for him. Between us, we have sketched out a pretty comprehensive catalogue of measures for the Bill: we have not quite put the clause numbers in, but I think we have set out most of the measures.

Those measures have to start with information about the crime. That is why we need the whistleblower provision, because whistleblowers are so often the source of intelligence, and it is also why we have to reform the suspicious activity reporting regime. Not only does the

regime need widening so that it bites on more organisations such as estate agents but we have to find a way of pooling the intelligence that comes from suspicious activity reports and focusing on where we think the harm is greatest. Our Committee has heard that loud and clear, not least in New York last week, where our excellent consular team pulled together a wide-ranging discussion for us. Lots of banks, law firms and so on are saying, “Look, we are spending all our time running platinum-plated processes, but without sieving the information intelligently and focusing on the 0.01% of reports to which we really should pay some attention.”

My hon. Friend the Member for Hammersmith (Andy Slaughter) has drawn attention to the way our courts are being used to shut down journalists, which is the third piece of the puzzle. We need courageous journalists to speak the truth; we cannot use English courts to shut them down, as is happening in London.

There are some changes that we need to make to ensure that we have good information and intelligence. We then need to ensure that the regulator is in place. The argument about needing a better Companies House has been well rehearsed; it is just crazy that the “know your customer” provisions that bite on so many commercial organisations do not bite on Companies House, so it is recording directors with names like Mickey Mouse, and in some cases not recording directors at all.

I fully agree that we need criminal liability for directors as a third set of provisions. The hon. Member for Thirsk and Malton is absolutely right to sketch out the parallel with the Health and Safety at Work etc. Act, which requires people to identify the harms of which their organisation may be guilty and put provision in place to prevent those harms from happening in the first place. Prevention is always better than cure.

We obviously need to transform enforcement. We need to double, at least, the budget for the National Crime Agency. We need to match, at least, the money that the private sector puts into law enforcement. We need to take steps to reduce the costs, which is the only way to start getting unexplained wealth orders through. In America they would love the power of unexplained wealth orders, but we have had to explain that they are currently useless because we just cannot prosecute them successfully through the courts.

On top of that architecture, we need to create one further set of offences to tackle the problem that in cases of corruption, the evidence that our agencies need is not carefully organised and filed away in Britain; it is offshore in jurisdictions where it is not available to us. When we cannot onshore the evidence, we have to somehow onshore the offence. We need to think about creating tough obligations on enablers, on company directors and on politicians in this House and the other place to declare anything that is suspect or corrupt. We almost need a suspicious activity reporting regime that allows us to prosecute people for failing to disclose things that they should be disclosing. That needs to carry a sanction which leads to civil proceedings for confiscation of assets. Unless we find a way of onshoring these offences, we will continue to be bedevilled by the problem of getting hold of the evidence that we need.

Out in the world, people are asking why on earth this place has not acted on economic crime. It is understandable that people should draw a connection between the flood of dirty money into our politics and our failure to act.

It is a matter of tremendous regret that more than £7 million of the £54 million that has gone to the Conservative party in high-value donations has come from individuals with very suspect links to Russia.

Ehud Sheleg, who has been discussed in *The New York Times*, is deeply connected commercially with his father-in-law, Mr Kopytov. *The New York Times* recently revealed the way in which money came from his father-in-law to Mr Sheleg as a result of business activity in Russia—that was in the suspicious activity report—but when a number of us reported it to the National Crime Agency, the NCA just said, “Well, it has come from the bank account of a UK citizen; nothing to see here.” That is nuts, not least because there is now further evidence that Mr Kopytov is closely linked to business in occupied Crimea, and that money from that Crimean business went into Mr Sheleg’s account in 2018. Worse than that, Mr Sheleg’s father-in-law is now closely connected commercially to Alexander Babakov, who has been sanctioned by countries all over the world.

It is not a good situation for any of us when we have to raise concerns of this kind in the House, not least because we in the House will make mistakes. During a debate on 17 January, for instance, I said that Yuriy Lopatynskyy had questions to answer. I am glad that he has now answered those questions, and has given me reassurances that he has never had links with the Russian intelligence services. I am glad to be able to accept those assurances, and to apologise to him for any distress caused. However, it is not a good situation when we do not have regulators, intelligence agencies and police services that are able to tackle this kind of dirty money.

Dmitry Leus, I am afraid, is another example. There is clear knowledge of his recruitment by the FSB, who got him out of prison. He has a criminal record in Russia., and according to intelligence sources that I have seen, he is

“absolutely dependent on the FSB”.

However, he is also a significant donor to the constituency of Esher and Walton, the home of—I am not quite sure what position he is in at the moment, but he was Deputy Prime Minister last time I looked. The donation that went to the Prince of Wales’s charity was returned, but the Conservative party has not returned its donation.

We are not in a good situation when we are having to discuss this kind of money coming into political parties, and I therefore hope that the future economic crime Bill will ensure that the only money that can come into a political party is from profits that have been created here, in this country.

Let me end by again thanking the hon. Member for Thirsk and Malton and my right hon. Friend the Member for Barking for initiating the debate.

1.33 pm

Sir Robert Neill (Bromley and Chislehurst) (Con): I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) and the right hon. Member for Barking (Dame Margaret Hodge) on securing the debate, and on the reports produced by their all-party parliamentary groups on fair business banking and on anti-corruption and responsible tax. Much of the debate so far has focused on what might be termed high-level

[*Sir Robert Neill*]

and high-profile international and economic crime. I understand that, and I will touch on it briefly, but then I want to move on.

In relation to those very high-level matters, we definitely need to do more to tighten the rules on money laundering. I agree that the Bill that became the Economic Crime (Transparency and Enforcement) Act 2022 was much improved in the course of its passage, and we should certainly seek to tighten and improve the provisions of the second Bill when it comes before the House.

We also need to do more about corporate criminal responsibility and liability. The issue referred to by my hon. Friend the Member for Thirsk and Malton relates to what, in law, is called the identification test. It concerns the mens rea, or guilty knowledge, of the “controlling mind and will” of a company, and the requirement to identify that controlling mind and will—a term which, in practice, has tended to mean only a very small cadre of senior managers, which makes it impossible to make the company liable for acts carried out by anyone who is other than part of that controlling mind and will, the very tight-knit group at the top who may be carrying out fraudulent acts for or on behalf of the corporate entity. The system is different in other jurisdictions, including the United States, and reform in that regard would be helpful and sensible. As the right hon. Member for Barking pointed out, it has proved easier in practice to prosecute small companies than to prosecute large ones, because the management structures of the large companies are often more diffuse, and under the current law it is therefore harder to identify those who constitute the controlling mind and will.

An extension of the duty to prevent offences would also be wise, and the Law Commission has recommended it in relation to fraud, but I think we should be open to going further. My one caveat, which I think the Law Commission flags up in its options paper which it published month, is that there is not always an exact analogy between health and safety at work offences and fraud offences. To convict for fraud, there has to be the additional element of dishonesty, either knowledge or “connivance”—a term that it often used—and, of course, dishonesty is not always a requisite element of the offences under the Health and Safety at Work etc. Act 1974. A distinction may need to be drawn, and I think we have not gone as far as we could have. I am not saying that we cannot look at this, but I think it is important to bear that distinction in mind.

John Penrose: Would my hon. Friend care to venture an opinion on the Law Commission’s recommendations concerning the potential for fixing the “controlling mind” legislation and legal approach? Could that be improved sufficiently to provide a decent alternative to the “failure to prevent”, or is it fundamentally unfixable, and would such a path therefore not lead to success?

Sir Robert Neill: The Law Commission often offers a sensible way forward, and I urge the Government to adopt those recommendations and try to implement them swiftly. This involved considerable work and a great deal of expertise and advice, and I see no reason for us not to move on the “controlling mind” test quite quickly, even if we needed to look a little further at the

“duty to prevent” test. Neither of those is unfixable. They offer a sensible way forward in relation to the “controlling mind” test”, and I hope the Government will act.

The other matter I want to raise in respect of larger-scale frauds is the work of the Serious Fraud Office. It certainly involves controversy, and there are some issues to which the SFO needs to respond in relation to the conduct of certain cases. I hope very much that we will see the full publication of Sir David Calvert-Smith’s report on one of those cases. On the other hand, to its credit, with a staff of 250-odd, the SFO has secured for the Consolidated Fund, through payments under deferred prosecution agreements—of which there are now 12—the recovery of some £1.6 billion. If a modest percentage of that were ringfenced, and, rather than going back to the Treasury, were held and reinvested in the budget of the SFO and allied crime-fighting agencies, that would be a massive step forward in providing it with the resources with which to deal with serious international and corporate crime.

In one of the cases that we spoke about recently when the Justice Committee visited the SFO, the disclosure material involved some 1.9 million documents. Dealing with those is a massive task. The SFO could invest in more artificial intelligence for searching documents. There are some legal complexities surrounding that, but it is doable, and is already done in commercial civil litigation. However, it is necessary to invest in it. If some of that money from the deferred prosecution agreements were ringfenced and reinvested, it would be money very well spent.

Having spoken about those large-scale matters, I hope that we will not forget that there is a great deal of “small-scale” fraud—small-scale in the global picture, that is, but very big and important to the victims of fraud. The Justice Committee recently conducted a number of hearings on fraud in the justice system. The message of the evidence we heard from Victim Support was “Do not think that fraud is a victimless crime, which is all too easy to do”. That view was supported by the Association of Police and Crime Commissioners, which reported that some 74% of fraud victims were emotionally impacted by the crime. At the very least, someone will feel that they have been made an idiot of; more often, they will have lost what may be a small sum of money for a bank, but is a lot of money to them. They will feel vulnerable thereafter, almost betrayed. So this is not a victimless crime, and we should never allow it to be thought to be so. This is coming from the people who have been talked to because they have reported the offence of fraud. There are estimated to be 3.7 million incidents of fraud but according to Her Majesty’s inspectorate of constabulary and fire and rescue services, the majority of them are not reported. We need to do a lot more on that everyday fraud.

Andy Slaughter: The hon. Gentleman talks about this subject as well as about the major frauds. I was shocked to find out that in 2020-21 fraud accounted for 39% of all crime and that the average investment fraud deprived the victim of £14,000, which is a significant sum of money to an individual. Is it part of the problem that we are not taking this seriously enough? If we were, we would no longer be relying on Action Fraud, which I thought the Government had agreed to wind up and replace with something effective.

Sir Robert Neill: It is extraordinary that fraud accounts for nearly 40% of all crime but only about 20% of police resources go into it, which is disproportionately low. The hon. Gentleman is right about the failures of Action Fraud. Every one of us will have seen that in our own constituency caseloads. It is clear from the evidence that we heard that Action Fraud is not working effectively. The stats told us that 876,000 frauds were reported through Action Fraud, CIFAS and UK Finance in 2021. On average, about seven frauds per minute are being committed. Of those 876,000, only about 58,200 were then disseminated for further investigation, and about 28,700 were passed on to the police National Fraud Intelligence Bureau, which sits behind Action Fraud. So even if someone gets through and gets anything done, only a small percentage of the cases are acted on. Ironically, for people who can get their case to court, the conviction rate is about 85%, but only a tiny percentage get to court. We have to do an awful lot more to get these cases to court in the first place, and that means much better treatment of victims and witnesses in those fraud cases.

The chair of the Bar Council, Mark Fenhalls QC, has said that

“this country has to decide whether or not it is interested in taking on the issue of fraud.”

The chief executive officer of CIFAS, Mike Haley, said it was surprising that

“there is no national strategy for fraud. There is an action plan, but it is a plan without a strategy.”

It would not be a bad thing for Ministers to upgrade the action plan into a proper full strategy and to have a Minister with overall responsibility for that action plan.

We need to look at the role of the financial institutions in high street fraud and credit card fraud. Often they are running very profitable retail credit card operations. Perhaps they could make a small investment and show willingness as responsible business people to contribute more towards anti-fraud measures. That might be regarded as a sensible and responsible type of business activity to assist with the significant costs that people have to meet.

We have to recognise that it is not just the big frauds that are international. The CPS, giving evidence to our Committee, stated that 75% of the fraud crimes that it prosecutes have an international element. That does not mean that they are Russian oligarchs or kleptocrats. It might mean that they are coming from foreign servers, for example, or they might be foreign-based scammers hitting not businesses but individuals through insurance fraud, scamming bogus products and so on, while based overseas. We need to find ways of improving our international co-operation around tracking down those matters. This all indicates that although good work is being done, it is not being done at the scale that is necessary or commensurate with the level of the problem and the harm that is done. There is the economic harm, but I stress that there is also social and personal harm, as the Committee heard. I hope we can use the upcoming opportunities to redouble these efforts, and this debate is very timely in that regard. I commend the reports from the all-party parliamentary groups, and I hope the Government will take on board the responses that we will be sending to the Ministry of Justice and the Home Office from the evidence we drew up only recently, as a spur to further and co-ordinated action. That is the most important thing.

1.44 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to follow the hon. Member for Bromley and Chislehurst (Sir Robert Neill). He always brings a wealth and breadth of knowledge to these debates and we thank him for that; it certainly adds to the focus and the direction in which we wish to go. I also give my sincere thanks to the hon. Member for Thirsk and Malton (Kevin Hollinrake) and the right hon. Member for Barking (Dame Margaret Hodge) for their contributions. They have been terribly helpful to the debate today and we thank them for that. Others have contributed as well, and they have all added their experience and knowledge to the debate.

The Government stated in July 2020 that economic crime represents

“a significant threat to the security and the prosperity of the UK ... This has a significant impact on the UK’s economy, competitiveness, citizens and institutions”.

It is therefore imperative for our own economic progress that we have an efficient strategy and proper guidelines to enforce punishment for economic crime. All right hon. and hon. Members who have spoken have indicated the direction in which we want to go and what needs to be done.

I would like to start with some figures, to give a real insight into the depth of economic crime in the UK. A total of 14.5% of the UK’s annual £2 trillion GDP is taken in economic crime. That gives us an idea of the magnitude of the issue. Some £190 billion of our losses come from fraud and a further £100 billion from money laundering. London has been described as a laundromat for corrupt money, and in 2019 the Treasury found many failings in relation to legislative guidance on tackling economic crime. We must do more to ensure that the resources are there to tackle economic crime properly. They are clearly not up to scratch at the moment, hence the billions of pounds that have been lost to theft over the last period of time. I very much look forward to the contributions from the shadow Minister and, in particular, from the Under-Secretary of State for the Home Department, the hon. Member for Torbay (Kevin Foster), who will endeavour to answer our questions, as he always does.

In response to Russia’s invasion of Ukraine, the Government fast-tracked the Economic Crime (Transparency and Enforcement) Act 2022 to crack down on the elites and the dirty money in the UK. As a result of today’s debate, I hope that the Minister will give us an update on where we are, how the situation has improved and whether we can take any other steps here in the United Kingdom of Great Britain and Northern Ireland to do better. The Government must make tackling economic crime a much higher priority, especially as it is a threat to our national security. We had some discussions on that in the urgent question this morning, and we have had other discussions in this Chamber and in Westminster Hall on the same issue.

We have seen some of the most intensive sanctions in our history imposed on Russia to ensure that oligarchs and business owners cannot operate in an illicit manner outside their own borders. That is an important and welcome step, but given that economic crime accounts for some 40% of all crime in the UK, there is more regulatory action that we should take. We must have a strategy that encompasses all of the United Kingdom

[Jim Shannon]

of Great Britain and Northern Ireland. The hon. Member for Thirsk and Malton referred to the “Panorama” programme and to the dirty money that came from Estonia right across Europe and ended up in one of the banks in Northern Ireland. In my intervention I referred to regulation for domestic customers, which is clearly there. I understand the reason for that regulation and I am in no way saying that it should not be there, but I have to question just how this can happen. Is it down to the bank? It happened to be the bank that I am a member of—I know some of the regulations the bank enforces on its customers because I am one of them. I understand that, but when I hear about £200 million moving across, it concerns me.

Paramilitarism in Northern Ireland has been significant in money laundering and in the criminal activity that it is involved in, whether it be money lending, protection money, drugs or, in the case of the IRA along the border, fuel laundering. The Government have made significant attempts to address all those issues, but many of those paramilitary groups have bought properties and businesses across the whole of the United Kingdom. I would love to see more attention being focused, through the legislation, on those paramilitary groups, who are criminals living off the backs of the local communities that they say they protect. They do not protect them; they take advantage of them and brutalise them. As a Northern Ireland MP, I am keen to see how this legislation can squeeze the paramilitaries, on both sides of the community in Northern Ireland, who are taking advantage of good local people.

We also need to consider the impact of cryptocurrency. I am sure that there are many cryptocurrency experts in the House, but I am not one of them. I have little or no knowledge of cryptocurrency. I am old-fashioned in preferring to use cash if at all possible, although I now use cheques and credit cards following covid-19, but cryptocurrency is becoming a more popular mode of finance among younger generations.

Not a week goes by when I do not see a story in the local or national press warning about cryptocurrency. I am not sure whether those warnings are heeded or whether there is regulation to ensure people are not caught by its sting. The Minister will give us his valuable knowledge of cryptocurrency and what is being done to regulate it, to monitor those involved and to ensure that our constituents do not find themselves in bother. There must be proper regulation of crypto-assets, with intensive efforts to ensure that people are not misled by the thousands of online scams. It is all too easy to make an onscreen decision, but people need to be aware that the decision is made once the button is pressed.

Consumers lost £754 million to online scams in the first half of 2021. I have been contacted by numerous constituents who have been victims of scams, and I suspect that others in this House will also have constituents who have been victims. Unfortunately, probably not a week passes without someone in my constituency finding themselves the victim of a scam, whether it is successful or whether it is stopped in time. The police issue a statement in the local press back home every fortnight warning of the latest scam, whether it is people knocking on doors or online scams. People are fairly trusting, by and large. More often than not, the people who are

hacked or who find themselves the victim of online scams are of an elderly and vulnerable generation. A few months ago, an elderly gentleman in my constituency lost some £30,000 of his savings to a scam by being trusting. These things happen regularly, and the Police Service of Northern Ireland regularly advises people to be careful.

People should be careful with their information and when using online bank accounts. People are not aware of how much fraud there is in the UK. Our focus is often on large-scale dirty money and money laundering involving oligarchs—the hon. Member for Thirsk and Malton mentioned the “Panorama” programme—and we forget about normal consumers who have their money taken every day and every week. The House must do due diligence to ensure that people are aware of the scale of the problem.

I will now conclude and give the Front Benchers the time they deserve. I welcome the numerous actions that the Home Office, the Treasury and the Minister have taken to ensure more efficient regulation and checks against economic crime. However, we have seen substantial sums of money coming to the UK through fraud and money laundering, so severe action and regulation is needed. We must ensure that the Treasury allocates the correct sustainable funds and staff to enforce proper punishment against economic crime, which is ever-evolving and becoming increasingly advanced.

I call on the Minister and the Government to take this into consideration, as I know they will. I am sure the Minister will answer some of our concerns. As we look to future policies to tackle economic crime, I praise him and the Government for all their work thus far. We need to be smarter than those who try to outsmart us.

Madam Deputy Speaker (Dame Rosie Winterton): I call the SNP spokesperson, Alison Thewliss.

1.54 pm

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to come to the House this afternoon. Even with all the chaos and politics outside, we have come together to have a very good debate and to share comprehensive ideas and solutions to the ongoing issue of economic crime.

I thank the hon. Member for Thirsk and Malton (Kevin Hollinrake) and the right hon. Member for Barking (Dame Margaret Hodge) for coming together to secure this debate. We often all agree whenever we have such debates, and it is for the Minister to respond to our comprehensive agreement and suggestions. I have often been in discussions on economic crime in which all the experts in the room have solutions but the Government are way behind in implementing them. I urge the Minister to work with his colleagues and others to bring those experts together so that we can get to some kind of solution. It feels like we have been talking about this throughout my time in Parliament, and there has been relatively little action.

Enforcement is crucial. The Government can have the best rules in the world, but if they do not follow through with enforcement, as they have not in many cases, there is almost no point in having those rules at all. If criminals realise that they are going to get away with it, the rules do not matter. I am sure the Minister will address what has been said about the Financial

Action Task Force but, again, there is a gap between the rules and the enforcement; between what the FATF has said about the UK and the UK regime and the actual reality on the ground.

A number of Members highlighted that things move fast in this area. The hon. Members for Thirsk and Malton and for Strangford (Jim Shannon) both mentioned crypto-exchanges and cryptocurrencies, which is a fast-moving and fast-developing situation that means money can move away from people very quickly. Tracing that money then becomes incredibly difficult.

It strikes me that perhaps the Government need to get further into the expertise of this sector, because the criminals who do these scams and financial crimes are always several steps ahead of the Government on the technology, skills and expertise. It takes the Government and legislation an awfully long time to catch up with the fraudsters' expertise.

The issues with Action Fraud—or inAction Fraud—have been set out very clearly by many people. It has been a problem for years, and I understand that the Scottish Government do not pay into Action Fraud because they do not see the value. They get nothing from it, so instead they look to our police force to deal with fraud. I will talk a wee bit about that, too.

We have a crime campus at Gartcosh just outside Glasgow. When Assistant Chief Constable Patrick Campbell gave evidence to the Treasury Committee as part of its economic crime inquiry in early 2021, he talked about the value of the crime campus. There are 27 enforcement bodies in one location, so people can speak to each other as they go about their business. They are made to communicate because of the useful way in which the campus is set up.

Patrick Campbell also talked about Scotland's economic crime and financial investigation unit, detailing that 150,000 officers are tasked with serious organised crime and high-level fraud, and 17,000 people are gathering that information on the frontline and making sure that people know where to report these crimes. That contrasts with the fragmentation across the plethora of UK agencies, as the Treasury Committee's report highlighted. Nobody has proper responsibility and proper oversight over economic crime in the whole UK, which really shows when it comes to enforcement.

Some very good suggestions have been made, and I would welcome more executive responsibility and liability for economic crime. A duty to prevent economic crime is crucial, and a good comparison was made to the Health and Safety Executive. Because nobody is responsible or accountable for economic crime, it is difficult to see anybody doing anything about it. I would extend that to social media companies—some of the evidence we took in the Treasury Committee reflected this—because they are where an awful lot of fraud happens these days.

I went to an event in this place with TSB Bank, which sent me some more information about the levels of fraud on social media platforms. It reported that between January and March, 70% of that fraud came through Meta companies—24% on Facebook and 46% on Instagram—with 4% on Snapchat and 23% on other social media platforms. Why is Meta not being held to account for the fraud on those platforms? It is not Facebook, Instagram or Snapchat that have to pay up

for such fraud, but the banks. That fraud is not the banks' fault. They are not facilitating it; the social media companies are.

Kevin Hollinrake: The hon. Lady makes an important point. The point about the failure to prevent offence is, of course, that it does not just apply to the banks; it could also apply to the companies she talks about, which are facilitating the scamsters who facilitate the crime. It could also apply to the senior executives in the organisations she refers to.

Alison Thewliss: I absolutely agree. The hon. Gentleman made a point about the fraud coming through on his WhatsApp. There is a real problem there; such fraud is taking place on those platforms. If they did not exist, perhaps the fraud would happen in a different way, in a different place. However, social media companies ought to be taking real responsibility. TSB said that one of the highest value incidents within the period I have mentioned was a £3,000 fraud carried out against somebody on a social media platform, with the average amount of fraud being £415. That is a lot of money for people to lose. Many people on social media might not be on particularly high incomes, but they might buy and sell across marketplaces. We see fraud where someone advertises a games console, and when people pay the money over, it never arrives, because it was literally just a picture of a games console. Some people then try to pass that on to somebody else, and more people get scammed. This is a real issue. TSB ran a sample across a week and found that 67% of those purchase scams were happening on Meta. The Government need to do an awful lot more to understand the levels of such fraud, how it is happening and how we should go about chasing it down. There is an awful lot more that can be done in that regard.

I come to the issues that the right hon. Member for Barking (Dame Margaret Hodge) so excellently and comprehensively set out about kleptocrats, Londongrad and the dirty money washing through the City of London and other places. The Government should be seeking out the experts on that, getting them to come in and exploring these things with them. I am referring to experts such as Oliver Bullough and other journalists who have done so much to expose this. Why is this still happening? Why is it still being allowed? What opportunities are there in the economic crime Bill to nail this down and do more than the Government have done so far? Although the first economic crime Bill was a welcome reaction, it was pretty small scale, and an awful lot more needs to be done.

As I often say, more needs to be done on Scottish limited partnerships, which have been used so well to facilitate such fraud. It has spread, as it does—if we push down the bubble in the wallpaper, it will come up somewhere else—to Irish limited partnerships. What discussions have the Government had with the Irish Government about what our failure to tackle this has done to their limited partnership system? What progress and what dates can the Minister give in respect of the register of overseas entities? We have talked about that for years, and nothing has yet happened. The Scottish equivalent has been set up and is operating, and the UK Government are behind.

Let us consider the impact on the wider economic system, on sanctions and on Russia. I understand that Bill Browder said this week that the UK is the world's biggest destination for dirty money from Russia, and that

[*Alison Thewliss*]

“there has not been a single Russian economic crimes prosecution in the UK”.

Why is that? What are the Government doing to ensure that nobody can get off scot-free?

I wish to talk briefly about Companies House, because I always do, and I will continue to do so until it gets fixed. Companies House is utter guff, and the register is full of complete nonsense. Will the Minister meet Graham Barrow, an expert in this area, to talk about the timescales and the process for reforming Companies House? Graham Barrow pointed out that on Tuesday this week, 4,063 new companies were registered at Companies House. That is not a sign of a booming legitimate economy, but a sign that something is very wrong with Companies House. For example, Wendy Siegelman, a journalist in the States, pointed out that a company was registered in Edinburgh in December 2020 under the name of President Donald John Trump. When she flagged that up with Companies House, the response was:

“The person was no longer President of the USA at that time.”

That is entirely missing the point; I do not think that Donald Trump is living and registering companies in Edinburgh—I think he is somewhere else in the world, doing other things just now. Companies House should be taking these issues a lot more seriously.

More seriously for the Government, Martin Williams of openDemocracy has mentioned that fraudsters have been exploiting Companies House to set up companies in the names of officials at the Ministry of Justice and Her Majesty’s Revenue and Customs. This identity fraud being perpetrated through Companies House should be of great concern to the Government, not only because it is government officials being affected, but because you, I or anybody else, Madam Deputy Speaker, could be affected by a company being registered in our name. We would then become somehow liable for it, despite perhaps never knowing anything about it. Companies House reforms are well overdue. It must be an anti-money laundering supervisor in its own right, and it must ask for verification of not only our companies, but individuals.

I could talk for longer on this—I could talk until the cows come home or we lose a Prime Minister, whichever comes sooner—but I will leave it at that. There is an awful lot to be done on this, and the Government need to listen to the experts. The Government need to get them in, get them around the table and figure out how to fix this properly, once and for all—or give Scotland the powers to do so, and we will do so ourselves.

2.5 pm

Jess Phillips (Birmingham, Yardley) (Lab): It is a pleasure to be here. I would not normally be in this debate, but what has happened with the National Security Bill Committee, statutory instruments and various other things leaves me here. I say firmly that I have learned a huge amount while sitting in this debate. First, I thank my right hon. Friend the Member for Barking (Dame Margaret Hodge), a dear friend, for securing this important debate, along with the hon. Member for Thirsk and Malton (Kevin Hollinrake). I am glad that he took on some of the technicalities about cryptocurrency. My husband sometimes talks to me about that, but I cannot say I am particularly across it. I say that to highlight a problem, which has been raised by the hon. Member for

Weston-super-Mare (John Penrose): we in this legislature, and in our law enforcement, are grossly behind, acting in an analogue form in a digital world. The writing has been on the wall in that regard for some time, and I fear that we have not kept pace at all.

I could not agree more with what the hon. Member for Thirsk and Malton said about Action Fraud. I believe it was the hon. Member for Glasgow Central (Alison Thewliss) who called it inAction Fraud, which is a considerably better way to describe it. What surprised me most was what the hon. Gentleman said about banks that everybody in this country trusts being fined so much money for laundering the money of Mexican drug cartels, among many other things. He spoke for the nation when he expressed disgust about there being no criminal charges laid against banks. The public would be absolutely appalled to hear that, especially given how ready our agencies are to chase up our constituents if they fall foul of something, as many Members have pointed out. His solutions were good and well thought through, and I am an absolute fan of a preventive duty, as the Minister may well know. I think we have to act to put preventive duties in place to address those who are considering turning a blind eye and taking the fines because they have big pockets. We need to firmly place this in their wheelhouse.

My right hon. Friend the Member for Barking will be so missed by this House when an election comes—that could be in the next 25 minutes—because she has been a giant in the fight against dirty money. She said that there can be no prosperity for our country based on dirty money, and that call should be taken incredibly seriously. When she tells stories such as the one about the situation in Lebanon, we cannot sit back and act as though the receipts into our nation result in some sort of prosperity that gives us a reason to turn a blind eye. I, as a British citizen, along with every British citizen in my constituency, do not want my country being used as a place to hive off the interests of people who make barrel bombs for Russia and Syria to try to kill people—people who then have to flee to my constituency. I never want to hear a story like that again. Anyone who thinks that our prosperity should rely on such activity ought to know that it harms our nation, so we must act.

My right hon. Friend reminded us about the heinous run of murders and suspicious deaths that are linked to dirty money. This is not just about receipts, especially where Russia is concerned. It is chilling that Russian killers have been able to kill at will in the United Kingdom because of a reliance on dirty Russian money, and she highlighted some of the cases. Just this morning, we had to have an urgent question in this House because, at the height of one of those murders—the poisoning in Salisbury—our then Foreign Secretary and now Prime Minister met Alexander Lebedev without officials and without putting anything on a public record. These are dangerous instances; we are lying down in the face of what is, as my right hon. Friend highlights, not just dirty money, but murder and deceit.

My right hon. Friend reminded us that enforcement is abysmal. I can assure her that she is not alone in calling it abysmal. Enforcement in relation to all crime in this country is utterly abysmal. It is no surprise to me that economic crime is falling foul of the same dreadful regime—of falling charges, falling convictions and failing cases. In the face of this, the NCA faces cuts of 20%, so my right hon. Friend’s concerns about the agency’s ability

are not about to get any better. Both the hon. Member for Thirsk and Malton and my right hon. Friend compelled us to take seriously the recommendations of both all-party groups, and the Opposition absolutely will.

The hon. Member for Cheadle (Mary Robinson) spoke about the importance of whistleblowers. I totally agree with that, especially when we hear about whistleblowers dying mysteriously. It is no small thing to step forward about crime, but when we are talking about organised crime, the highest level of protection is undoubtedly needed. My hon. Friend and neighbour, the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), made an impassioned plea. He said that we in the UK should be leading the world on ending this corruption; instead, we have advertised ourselves to Russia as a safe haven, and much more must be done.

The Government's economic crime Bill is long overdue. For far too long, our country, and particularly our capital, has been a hotspot for dirty money. The Bill does not need to be overdue, from what I have heard in this Chamber today. All the amendments and recommendations are out there. They have come from the Justice Committee, as highlighted by the hon. Member for Bromley and Chislehurst (Sir Robert Neill); from the all-party groups for whistleblowing and on fair business banking; from the Foreign Affairs Committee; and from the Treasury Committee. Good work has been done, so why is the economic crime Bill so overdue? The illegal war in Ukraine and Russia's aggression have brought that into sharp focus, but let us be very clear that it should not have come to this.

The National Crime Agency said in 2020 that there was a "realistic possibility" that money laundering alone in the UK amounted to hundreds of billions of pounds annually. The first economic crime Bill was delayed for years, with the Government blocking Labour amendments that have reformed Companies House and left Russian oligarchs with fewer places to hide. The hon. Member for Glasgow Central highlighted very clearly what is going wrong in Companies House.

Meanwhile, economic crime continues to rage across this country. Fraud now accounts for more than 40% of all crime, as we have heard, yet less than 1% of police resources goes to tackling it. Millions of people are scammed every year, but, as with so many other crimes, nothing is done. Only one in 1,000 fraud offences is prosecuted, and the Serious Fraud Office secured only two convictions in 2020-21—just two! That is one more than the number of Government prosecutions for child trafficking, because that was just one. Enforcement across the board is down on every form of harmful crime.

Has the Minister ever tried to refer a crime of fraud? Many Members have talked about their constituents and, in fact, themselves. I can tell him that I have tried to refer such a crime. There was literally a person using my name and my details to book a hotel—I knew it was happening because, when they were checking into the hotel, it appeared on my Google calendar. I know that they checked in because I did the sleuthing. But when I tried to report it, I might as well—I will not swear Madam Deputy Speaker—not have bothered. I was able to ring that hotel, find out that somebody had checked in—they were literally in the hotel when this was happening—and yet nothing was done. I am a Member of Parliament. Imagine what it is like for somebody who is not a Member of Parliament. I got absolutely nowhere.

The hon. Members for Strangford (Jim Shannon) and for Bromley and Chislehurst both mentioned the fraud strategy. Where is it? We are waiting for it from the Home Secretary. I am afraid to say that, when it comes to fraud, the Government and the Home Office have been missing in action.

I know that it has been a stressful day for the Minister. His entire Government have collapsed around him. He is one of the few Ministers left standing and one of the few Ministers who has not had to cancel parliamentary business today, but, despite all of that, I shall not let him off the hook. I hope that he will take this opportunity today to answer a number of important questions, many of which the Opposition have been asking for many months. Will the second economic crime Bill, promised in the Queen's Speech, be introduced before the recess, or will it meet the same fate as so many others? Will this Bill, like the Victims Bill, be promised in multiple Queen's Speeches before we even see it in draft form? Will the Home Office finally bring forward a fraud strategy—a promise that the Minister, although possibly not this particular Minister, made months ago? Or, again, will this be another broken promise?

Will the Home Office finally axe Action Fraud, which anyone who has fallen victim to fraud, will know is a completely failing service? If it does, will the Minister update the House on what steps are being taken to replace it and whether the replacement will be something that actually functions? Given the National Crime Agency's hugely important role in tackling fraud, will the Minister rule out the 20% staff cut that the Government have reportedly asked the NCA to make?

2.17 pm

The Parliamentary Under-Secretary of State for the Home Department (Kevin Foster): This is certainly an interesting day to be responding to a debate. As is the case with the shadow Minister, this is not my usual field, but I agreed to respond to this debate about a week ago. [*Interruption.*] It is always nice to have those comments from the Deputy Leader of the Labour party. It is always a pleasure when she joins us.

I thank my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) and the right hon. Member for Barking (Dame Margaret Hodge) for securing this debate, and all the other Members who have contributed. It was good to have the rare chance of hearing from my good friend, the hon. Member for Strangford (Jim Shannon).

We all agree that economic crime poses a threat to the integrity of our economy, and to the security and prosperity of the UK and our allies. Let us not forget the innocent victims who suffer both emotionally and financially at the hands of unscrupulous fraudsters. Economic crime, as outlined by many who contributed, affects more UK citizens more often than any other crime type, and we have heard many examples of that today.

The UK has one of the world's largest and most open economies, and London is one of the world's most attractive destinations for overseas investors. Those factors make the UK attractive for legitimate business and contribute to our prosperity, but the Government accept that they also expose the UK to the risk of money laundering via some of those processes.

The public/private economic crime plan published in 2019 provided impetus and direction for our collective efforts in this area, including strengthening law enforcement

[Kevin Foster]

and increasing domestic and international co-operation. There has been progress in tackling the threat. For example, in recent years we have built some key capabilities, including the creation of the National Economic Crime Centre and substantial reform of the suspicious activity reports regime.

As a number of hon. Members touched on during the debate, we have enacted the Economic Crime (Transparency and Enforcement) Act 2022, introducing reforms to enable law enforcement to take more effective action against kleptocrats who launder their funds in the UK. We have also legislated for a levy on the anti-money laundering regulated sector, which from next year will raise £100 million a year to help us to combat economic crime.

I hear some of the concerns expressed by colleagues about the potentially fragmented nature of the enforcement landscape, yet I would emphasise that that does not mean there is not joint and co-ordinated working between the law enforcement agencies concerned. The ever-evolving and clandestine nature of economic crime requires a multi-agency response, drawing together the relevant expertise, capability and resources to effectively tackle this challenge head-on.

The Government believe that the National Economic Crime Centre plays a leading role in setting strategic priorities for the enforcement response to economic crime and bringing agencies together. The NECC leads intensification campaigns to prevent, prepare for and protect against economic crime and to pursue those responsible for it. Co-ordinated by the NECC, the joint money laundering intelligence taskforce serves as a world-leading model of best practice, enabling tactical and strategic intelligence sharing between the public and private sectors to better tackle economic crime and support high-priority operations. However, we recognise the need to go further, as many hon. Members have set out.

Dame Margaret Hodge: I note the Minister's theoretical description of what happens, but the practice, for anybody who puts any allegation that we get from whistleblowers into the system, is that it just gets passed from one agency to another and it then falls down a black hole and we never hear about it again. While theoretically co-operation and co-ordination take place, in practice they do not. The other thing I would say is that, if in practice the system is working so brilliantly, why are prosecutions and convictions down by so much when we know economic crime is going in the opposite direction?

Kevin Foster: We would accept there is a need to go further and certainly, following today's debate, we look forward to the debates we will have on the forthcoming Bill. From what we have heard today, I think Members across the House will have thoughts, opinions and valuable contributions to make on how we can strengthen our regime, in both its legal construction and its direct impact.

We recognised in the 2021 spending review the need to invest in this area. The economic crime levy, combined with public contributions, is now an overall package of £400 million to tackle economic crime over the next three years. In the wake of Russia's invasion of Ukraine, the National Crime Agency established a new combating

kleptocracy cell specifically to combat corrupt elites, their dirty money and those who enable them to abuse our financial system. We also recognise that we need to further empower law enforcement through the forthcoming economic crime and corporate transparency Bill, which will be designed to tackle economic crime and protect our national security while supporting enterprise. The Bill will include much-needed reforms to Companies House and limited partnerships, with additional powers to seize suspect crypto assets more quickly.

Alison Thewliss: I welcome all reforms of Companies House, but will the Minister put it on a proper footing and make Companies House an anti-money laundering supervisor in its own right, so that it does not have to rely on third parties to fulfil that function?

Kevin Foster: We will set out the details in the Bill and we look forward to the debates on it, but certainly we are clear that the registrar of companies should become more of an active gatekeeper for company creation and a custodian of reliable data, including powers to check, remove or decline information submitted to it. In her contribution, the hon. Lady rightly gave the example of someone setting up a company in the name of "Donald Trump". Clearly that was not a legitimate company being established—[*Interruption.*] Some hon. Members may have missed that particular example.

Some of the changes are on identity verification. In my normal role talking about immigration, we do quite a range of work on ensuring that people can validate who they are and what their status is, and we want to bring a lot of that practice into the area of company formation to remove some of the worst examples we have heard about today. I accept that many people will see that as overdue, but it needs to be done and it is something we intend to legislate on and bring forward as a key change to our enforcement structure, to ensure there are fewer opportunities to abuse the system of company registration here in the UK.

Comments have been made about the resources of the National Crime Agency. We have increased its budget year on year since 2019. Taking all NCA funding into account, its budget has increased by 32% since 2019.

In response to concerns on corporate criminal liability laws, which a number of colleagues picked up on in the debate, we have sought to establish whether there is a case for change. I think it was my hon. Friend the Member for Bromley and Chislehurst (Sir Robert Neill) who referred to the Law Commission and the review we asked it to undertake. As he rightly says, it sets out several options for reform; he outlined his view that he would like to see us accept them, and we are assessing them. Certainly, that is something we specifically asked the Law Commission to do because we believe it is an area that needs careful consideration.

Sir Robert Neill: I know the Minister wants to assess the options, but he will be aware that that debate has been ongoing for a number of years now, well in advance of its referral to the Law Commission. The matter has been debated in political circles and in legal and judicial circles for a great deal of time and there is a huge amount of information there, so I hope he can come to his assessment very quickly.

Kevin Foster: Obviously, it would be tempting for me, at the Dispatch Box in the current situation, to make a raft of pledges on behalf of the Government about all the things I might like to see happen. At this stage, I will say that I share my hon. Friend's enthusiasm for coming to a conclusion on our assessment fairly quickly.

My hon. Friend the Member for Cheadle (Mary Robinson) in particular talked about whistleblowers. We recognise the value of whistleblowers' being prepared to shine a light on wrongdoing and we believe they should be able to do so without fear of recrimination. I want to make it clear that workers can seek redress through the whistleblowing regime if they are dismissed or suffer detriment because they have made a protected disclosure. It is worth noting that uncapped compensation can be awarded by an employment tribunal to reflect this.

If a whistleblower does not feel they can blow the whistle to their employer, they may make a disclosure to a prescribed person. There are over 80 prescribed persons and the Department for Business, Energy and Industrial Strategy regularly publishes guidance for them and updates the list of prescribed persons.

Kevin Hollinrake: I appreciate the fact that the Minister is covering this brief. On the point he makes, if whistleblower legislation works, then why has my constituent Ian Foxley, who blew the whistle on GPT Special Project Management in 2011—a company that was found guilty last year and faced £28 million in financial sanctions—been without a single penny of compensation or a single penny of earnings for 11 years? The legislation is not broad enough or all-encompassing, and it needs urgent reform.

Kevin Foster: As always, my hon. Friend makes a powerful case for going further. He will be aware that the Government have committed to a review of the whistleblowing framework, and we are considering the scope and timing of that review. We would certainly be happy to engage with him about how that could be taken forward effectively, particularly given examples such as the one he has cited, although he will realise that I do not necessarily want to comment on individual cases from the Dispatch Box.

This has been a helpful and productive debate. I reassure colleagues that the Home Office and the Treasury, when leading the policy response for Government, ensure that we do so through a governance structure that oversees activity across the system. This is not the only area where our two Departments work together in the national interest to deliver the overall objectives we wish to see.

In closing, I again thank all right hon. and hon. Members for their contributions to this debate. This is an immensely important subject and an area in which we will shortly see significant legislation brought before the House for colleagues to scrutinise, examine and develop, as I know they will want to. Certainly, from what we have heard in this debate, there will be many positive and constructive engagements in that debate. That is something we very much look forward to, because, as has been said, this is not just about tackling crime; it is ultimately about keeping our nation and its allies safe.

2.29 pm

Kevin Hollinrake: This has been an excellent debate. I thank all Members across the House for supporting the application for the debate and for their contributions,

and the Backbench Business Committee for granting it. I have learned an awful lot in addition to what I know from having looked at this issue for some time. "Coalitions" is perhaps a bit of a dirty word in the Conservative party, but I am a big fan of them, actually. I invite everyone who has spoken in the debate and anybody else interested in this issue to work with our all-party groups on this agenda, because we are not going away—we will make sure that future legislation is fit for purpose.

It is fair to say that, for whatever reason, we have turned a blind eye to this issue for too long. Ukraine has been an eye-opener because we have suddenly realised what it means and facilitates. I welcome the economic crime Bill mark 1, but mark 2 is coming along, with the reforms that will come from it. I urge the Government to look at the economic crime manifesto and include what they can in there, and also make provision in other areas, particularly on failure to prevent, whistleblowers, and beefing up, co-ordinating and strategising our resources.

It is great to see so much cross-party agreement on this. With all the work of the Justice Committee, the Treasury Committee, the Foreign Affairs Committee and our all-party groups, it involves MPs and peers across the political spectrum. It is time we opened our eyes. We have been a world leader in facilitating economic crime; we now want to be a world leader in fighting economic crime.

Question put and agreed to.

Resolved,

"That this House notes that economic crime costs the UK economy at least £290 billion per year; recognises that law enforcement agencies are significantly under-resourced to deal with the scale of the problem and can be unwilling to properly enforce existing laws; is concerned at the fragmented nature of the enforcement landscape; and calls on the Government to bring forward an economic crime enforcement strategy that allows for a significant increase in resource to expand and restructure the fight against economic crime, including money laundering and fraud."

Angela Rayner (Ashton-under-Lyne) (Lab): On a point of order, Madam Deputy Speaker. I assure you that I have informed the Minister concerned. I hope you will be able to advise me on how to shed light on a series of confused and potentially misleading comments made by the Prime Minister and his Minister regarding Alexander Lebedev. During his appearance at the Liaison Committee yesterday, referring to a meeting in April 2018 in which he met Alexander Lebedev, the Prime Minister stated:

"I have certainly met him without officials."

This is a significant revelation and something no Government Minister has ever commented on under questioning. But during the urgent question earlier today, the Minister appeared to contradict the Prime Minister's claim that officials were not involved, saying that the Prime Minister did involve his officials. Later in the session, she received word from the Prime Minister that he thinks he told officials. We must get to the facts.

This is not just a question of integrity but demonstrates a complete disregard for British national security. What action can be taken from the Chair or by Members of the House to ensure that Ministers keep their promises to us, to the Crown and to the British people to allow us to get to the facts of this whole murky business?

Madam Deputy Speaker (Dame Rosie Winterton): I thank the right hon. Lady for her point of order. I note that she says that she informed the Minister, quite

[*Madam Deputy Speaker*]

correctly. It is not for the Chair to determine these matters, but those on the Government Front Bench will have heard what she had to say, and I hope that they will pass back that we would expect the record to be corrected if it needs to be. In addition, the Table Office may be able to advise the right hon. Lady of other ways she might like to pursue the concerns that she has raised.

Alcohol Taxation

2.34 pm

Alun Cairns (Vale of Glamorgan) (Con): I beg to move,

“That this House has considered Alcohol Duty and tax on alcohol.”

I am grateful to the hon. Member for Gateshead (Ian Mearns) and the Backbench Business Committee for selecting this important topic for consideration, and to all Members across the House who supported the case that it should be considered. This debate is hugely important to a large number of businesses across the country—the hospitality sector in general, brewers, vineyards, distillers and retailers, employing hundreds of thousands of people. A disproportionate amount of them will be small businesses with younger employees, so getting this policy right really matters.

I start by paying tribute to the Government for recognising this Brexit opportunity. Taxation and alcohol duty has been needlessly complicated for too long, yet the UK was tied to EU restrictions preventing change. The Government set out their intentions to review the structures in March 2020, followed by a consultation on their proposals in October last year. The Government’s stated aims are to make the system simpler, more economically rational and less distortive, and to reduce the administrative burden. It is fair to say that these positive intentions are included in the thrust of the proposals. The consultation is welcome because it creates the opportunity for hon. and right hon. Members, and the industry, to respond and to further develop the plans. My comments are aimed at encouraging the Minister to refine the proposals further now that the industry, consumers and officials have considered how they would work in practice.

On beer duty, there has rightly been a warm welcome for the lower duty on draught beer. There has also been a recognition that the proposed 5% reduction should also apply to kegs and casks of 20 litres rather than the 40 litres set out. There has been a strong indication from the Treasury that this may happen, and I ask the Minister to confirm her intentions. I would also press for a greater reduction than 5% a pint in order to further support the industry, and pubs in particular. New research published this week highlighted that England and Wales have 7,000 fewer pubs than just 10 years ago. We all recognise the important role pubs play in our community and society at large, and also in providing a watching influence on people who enjoy having a drink rather than their being encouraged by the cost incentive to drink at home.

The plan to widen the reduced rate from 2.8% to 3.4% ABV is also a positive move, but a minor adjustment to 3.5% would resonate much better, and enable the industry to innovate further. To help to protect smaller brewers from the larger operators who may simply adjust their recipes to take advantage, it is important that the relief that they currently receive under the small brewers relief fully applies at this level. It would also make this element competitive with EU directives, and provide further support to small businesses within the industry.

Jim Shannon (Strangford) (DUP): I commend the right hon. Member on bringing forward this debate on an important issue. The past few years have impacted

greatly on local pubs, bars and restaurants—they are the ones who have suffered. At the same time, Tesco and Asda, to take just two examples, can sell exorbitant amounts of alcohol with low tax while others are left suffering. Does he feel that with the Government's proposed steps, which he will speak about later—lowering alcohol taxation and encouraging people to support local—pubs can pick up the business they once had and have lost? Does he agree that that is a positive way forward?

Alun Cairns: The hon. Member makes an extremely important point. As I said, some people are encouraged to drink more at home by the discounted prices offered by the large retailers. I would add that in Scotland and Wales—I am not so familiar with the position in Northern Ireland—the retailers receive the extra differential with minimum alcohol pricing, in comparison with what is available in England. That gives some room for the Treasury to react positively to support the pubs and brewers, as he and I seek to underline.

The small brewers relief has been proven to deliver major benefits. It enables small brewers to compete with larger operators and to innovate and generate new options for consumers. It will be replaced by the small producers relief to offer similar or common benefits to the wider sector and to prevent the current cliff edge. Again, the Government's objectives are positive, but I am concerned that the proposed changes introduce significant complexity to the process. Moving from 5,000 hectolitres at a 50% discount, to a maximum of 2,500 hectolitres at a 50% discount, tapering up to a 100,000 hectolitre maximum at up to 8.5% ABV, along with a cash limit and an average ABV measure, is much more complex than it needs to be. It is hard enough to say, let alone follow the process. It also makes it much more unpredictable for the businesses we are seeking to encourage to innovate, to invest and to create wealth at the smaller end of the scale.

John Penrose (Weston-super-Mare) (Con): I congratulate my right hon. Friend on securing this debate on an important issue, and he is making a powerful speech. I was particularly interested in his point about broadening the duty from brewers across to the wider sector. In particular, the cider sector is important in the west country. Thatchers Cider, based in my constituency, is complaining, both on its behalf and that of many other small producers, about the massive increase in complexity that this collective set of changes has introduced. It may be easier to understand at a high level, but Martin Thatcher has written to me saying that for individual firms the

“huge increase in red tape and bureaucracy brought in as a result of these proposals will result in a need for increased staff to manage monthly excise duty returns”,

and he goes on to talk about the increased costs of that burden. I hope my right hon. Friend will address that and persuade the Minister to respond.

Alun Cairns: I am grateful to my hon. Friend for his point. The significant advantage that the cider industry receives—the differential in taxation status—is testament to the campaigning that my hon. and right hon. Friends have done for the industry. Some have called for that to be addressed, but that is not proposed in the Government's plans, and I am not suggesting that should change.

He makes an extremely important point about the complexity. Even when there are potential advantages for some sectors over others, the complexity detracts from that. The simpler the process, the better that would be.

I hope that the Minister agrees that the current proposal is too complex, and a simplified approach would work much better. The principles or broad approach of this incentive are important. Why is there no similar support for UK vineyards as well, all of which in the UK are small operators? These businesses invest for many years before receiving a return on that investment. The quality of wine competes on par with traditional winemaking countries and wins.

Llanerch Vineyard and Glyndwr Vineyard in my constituency are excellent examples. They invest heavily, have long lead times, are excellent employers and are great visitor attractions. In reality, they are small operators, and extending either the principle of the small producers relief to include vineyards or simply increasing the current arrangement—albeit simplified from the 8.5% ABV limit—would make a major difference and provide significant advantage to wines made in England and Wales. Support for such vineyards in the UK would not pose risks or undermine the Treasury's ambitions and can be met within the World Trade Organisation rules.

Mims Davies (Mid Sussex) (Con): This issue has been specifically raised with me by Bolney Wine Estate, on which the duty particularly impacts, along with other nearby producers, such as Ridgeview, which is on the edge of my pitch in the constituency of my hon. Friend the Member for Lewes (Maria Caulfield), and Kingscote in East Grinstead. There is a collective ask across the English and Welsh wine industry, and I hope that the Minister, my right hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer) will be able to help these businesses to grow. They are small producers and tourist attractions, but above all they are businesses.

Alun Cairns: My hon. Friend makes an important point that underlines the issues that we have highlighted.

John Spellar (Warley) (Lab): Will the right hon. Gentleman give way?

Alun Cairns: I have limited time, but I will give way briefly.

John Spellar: I thank the right hon. Gentleman for giving way. As a member of the Campaign for Real Ale, I welcome his comments about the brewing industry. If we get the reduction to 22%, it will be welcome. On wine, he rightly references British vineyards, which are a great success story. Is he concerned about our trading relationships with many of our strongest allies, particularly when the Government are undertaking a trade deal with Australia? Australian winemakers are seeking to diversify from their market in China and are concerned about the new complexities being introduced. Does he think that the Government ought to engage with the Governments of Australia and other similar countries where our trade and security relationships are important?

Alun Cairns: The right hon. Gentleman makes an extremely important point. That is important for businesses, as he recognises, and because of the international influence

[Alun Cairns]

that such policies have. His wider experience, geographically and on security issues, is recognised on both sides of the House.

I warmly welcome the proposed abolition of the additional tax on sparkling wine, which is particularly helpful to producers in England and Wales. Some 70% of wines from the UK are sparkling and the current EU system works against them, particularly as smaller operators, so that is another Brexit dividend.

The wider proposals for duty changes on wine also have positive intentions, but in practical terms, as they stand, they will leave more complexity in the system. The three current rates per bottle will be replaced by a total of 27 separate amounts per bottle, assuming that it applies to the labelled ABV. We must recognise that winemakers cannot dictate the specific level of ABV. It depends on seasonal factors, and the structure of taxation should take that into account.

The administrative burden will fall particularly hard on UK retailers, particularly specialist merchants that tend to carry small supplies of a wider range of products. For example, a small retailer could have a range of 2,000 to 3,000 different products. The variation between different vintages means that they would become swamped in red tape—a policy that runs against the positive intentions of the Minister and the Treasury. There would also be a need to take into account permitted tolerances.

The good news is that minor adjustments could achieve the Government's objectives and simplify the structure for the industry. All wines fall within a spread of 8.5% to 15% ABV. Establishing such a spread and applying a common rate would simplify the process and give the Treasury the clarity it needs. For example, the industry believes that a rate of 12%—a 4% increase on current rate—would be a win for the Treasury and for it because of the reduced red tape. That demonstrates the earlier point about the cost of red tape.

It might sound logical to compromise—for example, to have just two splits instead of the high number of splits in the range of 8.5% to 15% ABV—but that would not work either. The complexity would remain and it would leave similar tolerance challenges. Taxing at one rate would help the Treasury to achieve its objective of providing clarity, as well as significantly supporting the industry.

Mr Laurence Robertson (Tewkesbury) (Con): I entirely agree with my right hon. Friend, particularly on this point. A company in my constituency, Direct Wines, has stressed the dangers to its business if the changes go ahead. Does he agree that they should be delayed until we have had more chance to talk to people about how they will affect their business?

Alun Cairns: My hon. Friend makes an important point about the complexity of the system, particularly in relation to wines and the variation of ABV, which depends on circumstances. I am torn about delaying, because if we can get this right—the industry needs only minor changes—let us do it as quickly as possible. Clearly, however, we would not want the proposals for wine to be introduced as they stand, so if they have to remain, it would be better for them to be delayed. It is a challenge, and perhaps the Minister can indicate how long she expects it to take to see the changes.

These issues are technical and complex, but they are hugely important to industries that employ and entertain millions of people across the UK. Previous Chancellors have often made a name for themselves by working closely with the drinks industry on such technical issues and have delivered a huge boost to employment, investment and society at large. It has also gone down very well with the popular press when they got it right because of the popularity of the alcohol sector, and rightly so. This is an opportunity to do the same. The intentions are right and the structure is logical, but changes along the lines I have highlighted would ensure that this important industry can continue to develop, grow and deliver for all our constituents.

2.50 pm

Daisy Cooper (St Albans) (LD): I am incredibly pleased to be able to speak in this debate. I would like to speak about beer, cider and fortified wine—sometimes known in parts of Westminster as a work event.

The former Chancellor's relief scheme for draught beer and cider excludes far too many of the small brewers and cider producers that need the most help. The ill-thought-out proposal to impose the 40 litre minimum container size to qualify for help has obviously been dreamt up by someone who has absolutely no knowledge at all about how pubs up and down our country operate. Almost all craft and small batch beers are kegged into a 30 litre container, which is 6.6 gallons for anyone who still wants to reintroduce imperial measurements. A small 4.5 gallon cask for real ale—a pin—holds just 20 litres, and many ciders are delivered to pubs to dispense in 20 litre bag-in-box containers.

Some 34% of licensees stock products in containers smaller than 40 litres to improve beer quality and choice for customers, while 46% of venues said that some products are only available to them in containers of less than 40 litres and one in 10 venues can only stock containers of less than 40 litres as they do not have the cellar space to sell the larger ones. I hope that the Treasury can finally own up to the fact that it plucked this figure out of the air, and instead give small brewers, cider makers and our struggling hospitality industry the break they need. Will the Minister confirm today that the industry will get the much-needed assurance that the threshold will be lowered to 20 litres after all?

I also want to talk about fortified wines because the forthcoming changes to the duty regime will have a significant and arguably disproportionate effect on port producers in particular. In my constituency, I have one of the UK's leading distributors, Fells—a major employer in my constituency and in Hertfordshire more broadly—which is braced to see a dramatic decline in its sales should this go ahead. Aside from the dramatic price increase that will follow the changes, there are very real and legitimate concerns about the implementation costs and the increased red tape. The system changes, administrative burden and ongoing compliance with such a system will have further negative effects. The Government's objectives for the alcohol duty reform consultation were welcome. They want to simplify the regime and reduce red tape, but the proposals simply do not do that. For wine, the proposed model cannot be described as simpler. Introducing taxation by degree will be complicated, costly and impractical. Unlike other categories of alcoholic drink, there is a far greater permitted tolerance for the alcohol

content of wine made from fresh grapes, meaning that without testing every wine at the point excise duty becomes payable, it is not possible to determine alcoholic strength accurately.

Introducing such a system will disproportionately hit wine-dominant or wine-exclusive small and medium-sized enterprises, importers and retailers, which are an important element of the customer base for my constituency business, Fells. It is requesting that the Government conduct a full and thorough cost-benefit analysis of the impact on the wine sector and that this analysis should be undertaken as a matter of urgency before any such system is introduced. I would be grateful for assurances from the Minister that they would indeed consider running such an analysis.

Additionally, under the current proposals the suggested model penalises warmer climates. There are limited tools available to vineyard managers to keep ABV down to an acceptable degree, and production rules forbid winemakers from removing more than 2% of ABV. I understand that the Minister has met the Wine and Spirit Trade Association; it is also seeking further meetings because it is looking for an assurance that the Government will instead consider a more workable way of taxing wine by applying a flat rate based on 12% ABV for all wine and 18% ABV for all fortified wine.

The Government's proposals would have a particularly negative impact on the fortified wine business. The total UK market for fortified wine is £311 million. Port accounts for £82 million of that, and Fells in my constituency is the leading UK importer and distributor. The Government proposals would add £1.09 duty to a bottle of port, resulting in an 11% increase on the average price per bottle. Fells estimates that in such a highly price-sensitive market this increase could lead to an 11% decline in sales, or approximately 1 million bottles per annum. Fortified wines such as port and sherry are generally not consumed irresponsibly; they are bought and consumed at festive occasions, to mark exams and graduations, weddings and anniversaries, and at Christmas—they are an occasional treat. But we are in a cost of living emergency when treats are often the first things to go, and therefore this regime could have a huge impact on this market. So I ask the Government to think again, to consult more and not rush this through, and to do that cost-benefit analysis.

Overall, the alcohol duty reforms proposed by the Government just tinker around the edges in dealing with the pressures facing hospitality. We have a broken business rate system that penalises pubs, restaurants and high street shops. We have spiralling energy costs which remain uncapped for small businesses. We have food inflation and labour shortages. I ask the Government to seriously consider bringing forward a proper plan to protect British brewers, distillers, winemakers and their distributors.

2.57 pm

Mrs Flick Drummond (Meon Valley) (Con): I congratulate my right hon. Friend the Member for Vale of Glamorgan (Alun Cairns) on securing this important debate.

It is a pleasure to speak in this debate on the taxation of alcohol and the Government review, and I should first declare that I am the chair of the all-party group on wine of Great Britain. I am also fortunate to have

some fantastic producers in my Meon Valley constituency, who will have an interest in these policies, including brewers of beer, cider makers and, most importantly, vineyards. I have kept in close touch with them throughout the process of the consultations and review, and the points I make here are heavily influenced by their comments to me over many months.

In Britain we are increasingly a maker and exporter of wine. Our tastes as consumers, technological advances, and—we must face it—climate change have driven change and growth in the industry. I very much welcome the removal of the supertax on English sparkling wine. We have some brilliant vineyards around the UK. Hambledon Vineyard in my constituency is at the forefront with its award-winning wines. This will help it develop the market at home alongside its continuing success in the export market.

Vineyards face high start-up costs, and in the case of sparkling winemakers up to a decade of careful work before they have a wine they can market. I was pleased that the vineyards of Sussex recently achieved protected designation of origin status and hope that their counterparts in Hampshire and other counties will be able to achieve a similar designation. I will do whatever I can to help them get that recognition of their excellence.

In view of the challenges that winemakers and merchants face, we must look again at the proposals on wine duty. I appreciate the desire to simplify what has become a complex regime that dates from a time when we neither consumed as wide a variety of wines nor had so many made in Britain. However, the current proposals would increase the price of around 70% of wines, which would affect many small and medium-sized enterprises in the wine trade. It would also create a regime of 27 different bands, as we have heard, and the burden that that would impose on independent wine importers and merchants is a mountain of red tape, which we are generally trying to reduce.

The Wine and Spirit Trade Association has put a range of proposals on wine and spirits to the Treasury, including bringing small producers of wine and spirits into the small producers scheme that is available to brewers and cider makers. I favour a solution with duty based on 12% as the midpoint of the 8.5% to 15% range, which would cover three quarters of all wine. Fortified wines have a midpoint of 18%, which would provide a logical basis for another band. That would also tie in with the global market, which regulates all wines between 8% and 15% as just one product.

Turning to brewers, I ask the Treasury to look again at the Make it 20 campaign, led by the Society of Independent Brewers. The introduction of the draught duty rate has been welcomed across the industry and by CAMRA. Supporting smaller brewers has been a long-term aim of the Government but, in order to get the best out of the draught duty rate, we need to reduce the container size to which it applies to 20 litres. The 20-litre and 30-litre containers are the mainstay of supply for small brewers and, with the limit at 40 litres, there is a good chance that many would miss out.

When we look at the health of the pub sector, consumers want to see smaller brewers represented. YouGov recently surveyed pub drinkers and found that more than three quarters of respondents cited that as an important factor.

[Mrs Flick Drummond]

I will turn to cider, mentioned by my hon. Friend the Member for Weston-super-Mare (John Penrose), which is the area of business that has benefited most from Government support in recent years. I urge the Government to act at that same level for our winemakers and brewers. Cider is a great British success story. Having talked to cider makers such as Meon Valley Cider, I look forward to them going from strength to strength.

Pubs faced a tough time during the pandemic. I argued strongly for restrictions on them to be lifted as quickly as possible and I wanted them to be able to continue off-sales while they were closed for on-sales. The sector initially recovered strongly during the pandemic, thanks to the Chancellor's eat out to help out scheme. However, even with the good weather that we are having this summer, it is clear that pubs and restaurants are still operating below pre-pandemic levels—a figure of minus 20% is often mentioned—and that leaves a potential black hole in their margins, which are tight at the best of times, with some fairly rapacious major businesses in the supply chain. Macro brewers and pubcos have not been good friends to the pub trade, and that is why it is vital that we support our smaller producers. The Treasury has generally been constructive throughout the process, and I am confident that my colleagues will continue to ensure that we get the right policies in place to help our small brewers, cider makers and, in particular, vineyards.

3.3 pm

Mike Wood (Dudley South) (Con): It is a real pleasure to speak in the debate. I congratulate my right hon. Friend the Member for Vale of Glamorgan (Alun Cairns) on securing it at such a vital time for so much in the sector. It is a particular pleasure to speak as chair of the all-party parliamentary beer group, which is the largest APPG in Parliament.

A lot of public focus is given to the very real harm that can be caused by alcohol and overconsumption, but not enough attention is given to the real contributions that British beer and our community pubs make to almost every element of life. On balance, they genuinely are forces for good. They are a force for good economically, with beer and pubs nationally contributing about £23 billion to GDP and, as I am sure the new Chancellor will become very aware, about £13 billion to the Exchequer. They are present in every single one of our constituencies in every part of the country. We have about 1,800 brewers—possibly more—across the UK, including about 150 in the west midlands. My own constituency is home to at least five breweries.

They make huge contributions to our local economies. They are a force for good for employment, with beer and pubs employing around 900,000 people, with an almost identical gender balance. Around half the people employed across the sectors are aged under 25 and there is a fantastic variety of career progression across the industry. They are good for tourism. British pubs are named consistently as one of the top three things that visitors to the UK want to do here. They are good for exports. They are the third-highest food and drink export sector, worth about £550 million for the UK economy. Before the pandemic, the sector was growing more quickly than almost any other export sector. They are good for our society and culture. At a time when

loneliness and isolation are often the biggest challenges facing some of the most vulnerable people in our communities, in many areas the community pub really is the last of the services in towns and villages.

Mims Davies: I thank my hon. Friend for raising the long-term and managerial career opportunities in the sector, and for raising the charitable good will and fundraising that happens in many of our pubs. I recently went to a “Brave the Shave” in the Burrell Arms in Haywards Heath, which raised masses of money for Macmillan Cancer. That sort of thing goes on up and down the land, bringing people together and bringing good causes and good will together—as well as a good time.

Mike Wood: My hon. Friend is absolutely right. PubAid estimates that pubs up and down the country contribute more than £100 million every year to charitable activities and community causes, and a further £40 million for grassroots sports in our constituencies, so they really are forces for good in our communities.

As my hon. Friends have said, our pubs, brewers and many other parts of the sector have long been over-taxed. UK pubs and brewers are taxed around 20 times more than US tech companies, as compared by their turnover. They are taxed around five times more than UK gambling. The UK has one of the highest levels of beer duty in Europe—behind, I think, only Finland and Ireland—which is 10 times that of Germany. Taken together, our pubs and brewers contributed over £10 billion in tax last year, even in reduced market conditions—£1 in every £3 spent in a UK pub goes straight to the Treasury. I am sure the Minister is very grateful for that, but I am also sure that Members recognise the disadvantage and burden that places on responsible places for people to drink responsibly and in moderation, compared with the opportunities that supermarkets in particular and other off-trade retailers have to sell their products far more cheaply, with far fewer employment costs and far fewer responsibilities to regulate who they are selling to.

Daisy Cooper: Does the hon. Gentleman agree that it is an absolute travesty that about 10,000 pubs and restaurants could be lost if there are not more fundamental reforms to the tax system that affects UK hospitality? Many say that the pressures they face now are even worse than those they faced during the pandemic. Does he agree that we need to go much further than just having the alcohol duty reforms?

Mike Wood: There has been a long-term trend away from drinking in pubs and on-trade, and towards supermarket sales making up a greater share of the market. Some of that will be due to natural changes in consumer preferences and people's lifestyles, but we should not allow the tax system to aggravate such trends, which have real social and economic consequences. Where we can tweak the tax system to make sure that our pubs, brewers and other producers get a fairer deal and where we can reduce some of the disincentives to people consuming drinks in well-regulated public houses, we should do so.

I welcome the alcohol duty review, which is a massive step forward. The level of duty, which is much higher than in most comparable countries, is compounded not only by VAT, but by extremely high business rates.

I hope that we can look at how our system of local business taxation can be further modified. The Treasury has clearly been piloting attempts to charge digital and online companies. That is an important starting point, but we need to make sure that our taxes on clicks are comparable with our taxes on bricks, to help sectors that have to operate in the real world. Nobody has yet established a viable virtual pub. A few people tried during the pandemic, but I do not think that any of those experiences quite worked out. It is noticeable that in April and May last year, most people were quick to get back to the real thing rather than using the online equivalent.

On the duty review, the proposed reforms are hugely welcome, particularly the banding that recognises the progression through alcohol strengths, so that higher-strength drinks have, if not quite exponentially more, progressively higher levels of duty compared with low-strength drinks. The changes to the low-alcohol band for beer for 2.8% to 3.4% will make a big difference to the availability of good-quality, lower-alcohol beer. Brewers find it relatively simple to change recipes to bring a 3.6% or 3.7% real ale down to 3.4%. It is much easier than getting a recipe down to under a 2.8% threshold without changing the character of such drinks, although I agree with my right hon. Friend the Member for Vale of Glamorgan that 3.5% would clearly be preferable, if we are looking at those details.

Similarly, the proposals for small brewers relief are hugely preferable both to the system that we have and to the Treasury's initial proposals, which would have caused a lot of difficulties for relatively small breweries. I accept that the changes will take a while to get our heads around—that is probably putting it lightly—but the current system has a distorting effect, with sharp edges that act as a very strong disincentive for growth and that impose an unnatural plateau at about 5,000 hectolitres. That means that unless businesses are confident that they will grow significantly beyond 5,000 hectolitres, they have very little incentive to invest in the extra staff and the extra capital to do so. The system that has been proposed is far better. It is very noticeable that what for a long time was probably the most contentious issue in the beer sector has now brought people together: although there are some details that each person might like to change, the overwhelming majority in the sector now feel that they can live with it.

I suggest that the Treasury look at whether it might be possible to extend some form of small producers relief beyond beer and cider, to include small wine producers. That would have particular benefits for English wine producers, and of course for Welsh wine producers; I must say to the SNP Front Bencher, the hon. Member for Gordon (Richard Thomson), that I do not know the scale on which Scottish wine producers are operating at the moment, but I imagine that they mostly fall within the smaller category.

The differential draught beer duty rate that the then Chancellor, my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), announced in his Budget last autumn is a fantastic proposal. It has the potential to make a big difference to supporting responsible beer drinking in our pubs, cafés and bars, instead of our supermarkets and—let us be honest—our park benches, town centres and street corners.

The difference will depend on the scale of the differential. The 5p differential is a good start in establishing the principle, but getting a new system up and running is likely to mean that almost all of it will be retained by pubs and breweries. That will typically mean an additional investment of about £2,000 being available to pubs, but if we want our consumers and beer drinkers to benefit from the draught beer duty rate, the differential will need to be widened. Only once it gets to 10p or 15p will we start to see a real difference in what customers pay for a pint at the bar, which will also make a difference by encouraging people to drink on regulated premises instead of buying from the off-trade.

We would like to see the differential not only increased but introduced at the first available opportunity. I know that the Treasury was looking at introducing something in probably the spring of next year, but given the difficulties that we all know the hospitality sector has had over the past two years or so, if a suitable fiscal event or financial instrument could be found that would allow the measure to come into force before this year's Christmas season, that would make a massive difference. It would help the pubs that the hon. Member for St Albans (Daisy Cooper) referred to, which may be struggling, on the edge of going under or just about managing to stay afloat through the winter. Bringing the differential in early would make a big difference.

There has clearly been a very lively debate about container size; 20 litres is very obviously the correct answer. Having had discussions with the last Chancellor and the last Economic Secretary, my hon. Friend the Member for Salisbury (John Glen), I think they recognised that 20 litres was where we needed to end up. I very much hope that incoming Ministers will reach the same conclusion. I think that the last Chancellor broadly accepted the argument that 40 litres was probably not the right container size for the threshold: he was pictured with the Prime Minister holding 30-litre containers to launch the policy. The 20-litre level will make a big difference to the range and types of beer that can be made available, particularly for our smaller brewers. However, I also think we should look at the provisions on distribution mechanisms, and ensure that containers do not necessarily have to be connectable to either a gravity-pulled or an electrically pulled draught system. When it comes to the pins of the kind typically seen at beer festivals in all our constituencies, where there is just a tap in the side of a barrel, I think that applying the discount to a container of over 20 litres makes a good deal of sense. Brewers I have talked to estimate that less than 0.1% of their beer is sold through those taps. We are not risking a massive distortion in the market from people buying huge numbers of these containers for parties at lower rates of duty, and applying this to all containers of over 20 litres would constitute a minimal cost to the Treasury.

The system introduced a few years ago in Australia does have a requirement involving connectors, partly because the Australian market is very different and partly because there is a much lower threshold—from memory, I think it is as low as 8 litres—but I think that a provision for 20 litres would capture virtually all the beer that almost all the small brewers that we are trying to support supply through our pubs and our licensed premises, and that they would benefit. I therefore hope that the Treasury will settle on that, as the obvious figure, in its final decision.

[Mike Wood]

Once again, I thank my right hon. Friend the Member for Vale of Glamorgan for securing the debate. I also thank the Treasury for all the discussions that we have had over the past couple of years, particularly since the publication of the duty review. We look forward to the speedy introduction of these measures so that our brewers, our publicans and UK hospitality as a whole can benefit, succeed and thrive.

Mr Deputy Speaker (Mr Nigel Evans): We now come to the Front Bench winding-up speeches. First, I call Richard Thomson.

3.21 pm

Richard Thomson (Gordon) (SNP): Let me first say what a pleasure it is to speak in the debate, and congratulate the right hon. Member for Vale of Glamorgan (Alun Cairns) on securing it. Let me also declare my membership of the Scotch whisky all-party parliamentary group, and say how pleased I am to see that, after a day of turmoil, the Minister is still in her place. I am going to have to get to grips with two other Ministers whom I shadow, so it is nice to see some continuity in at least one area of my responsibilities on the APPG.

Alcohol duty has been ripe for review for a considerable time, on the grounds of complexity and economic impacts, but also on the grounds of the social and health impacts that it may have in influencing behaviour. I think—indeed, I know—that this could have been done at any time. Contrasting levels of duty are applied across the European Union, and the UK was towards the higher end of that, but many other countries had considerably lower rates, so it is certainly not a Brexit benefit that the UK Government are now able to turn their attention to this matter.

The former Chancellor clearly had an agenda to simplify the duty regime. It is perhaps understandable that the current Chancellor has not had a chance to share his thoughts with us. Of course, he may not even be Chancellor past the autumn; it will depend on how the cards fall. In any event, I think that this is the right moment for us to have this debate and reopen some of these issues.

Ideally, to my mind, what any Government ought to be looking for is a regime that supports domestic innovation—product innovation and technological innovation, of which there is a great deal in the alcohol-producing sector—along with investment and production, while also keeping the social and health impacts of alcohol consumption in mind. On that measure, in terms of the review of the parameters that have been set out so far, I have always taken a dim view of the apparent bias against stronger alcohols such as whisky, vodka and gin, and I will go on to explain why.

As I have said, I am a member of the all-party parliamentary group on Scotch whisky, and in my constituency in the north-east of Scotland there are three significant distilleries. The Glendronach distillery is near the village of Forgue, and the Ardmore distillery is near the railway at Kennethmont. The third is Glen Garioch and, unusually for a Scottish distillery, it sits not in the middle of an iconic natural landscape but slap bang in the middle of the town of Oldmeldrum. If you drive through Oldmeldrum, you drive through the

different buildings of the distillery, depending on the route you take, and it really is quite remarkable. If you are in the north-east of Scotland, I would encourage you to visit it. Give me a shout and I'll come along with you—it would be great to be able to show off such a distillery.

As well as producing excellent products, those distilleries are right at the heart of our visitor economy. Together with the rest of the whisky sector, they make an enormous contribution to Treasury revenues and to the UK balance of payments. It is not just the whisky that is important; many distillery sites in Scotland also produce the spirits needed to make vodka or gin. In Aberdeenshire there is a burgeoning sector of craft gin manufacturers and those who produce the botanicals to go along with that. There is real innovation there, and while I would not wish to overstate this, it seems iniquitous that we are taxing that domestic product at such a high rate and as a consequence perhaps influencing consumer behaviour to prefer other forms of drink that are not produced domestically.

Those levels of duty are disproportionate, and that is harmful on a number of levels. For one thing—I know from my discussions with the industry how significant this is—it becomes very hard when trying to strike trade deals, which the Government are obviously trying their best to do at the moment, to encourage other jurisdictions to bring down the sometimes punitive rates of duty that they apply to these products. There is also the inhibition that that, as well as some tariffs, puts on the bourbon sector. People might think that bourbon is a competitor product, but in many ways it is a complementary product due to the nature of the ownership of the distilling industry. Quite often the multinational companies trying to sell bourbon in these markets are also investing heavily in new production and new practices in the Scotch whisky industry, so it is all interlinked. The high level of taxation that we put on that product on the shelf is not very helpful.

Finally, let me say something about minimum unit pricing. This policy was introduced in Scotland, and I think it is fair to say that it was quite controversial at the time. It was attacked for a number of reasons, some good and some not so good. We have now experienced the policy in action for some time, and I can happily report that there have not been the predicted traffic jams at the border on the A1 at Berwick or on the M74 at Carlisle due to people doing booze runs. That did not happen. The most valid criticism of that policy approach was not so much about the increase in price as about the fact that the benefit of the increase did not go to the Government to invest in health measures but instead rested with the retailer. That was a fair criticism. I think it is fair to say that if any Scottish Government had had control over the range of duties applied to various drinks, they might have had a minimum price in mind, but they would have used duty as a mechanism rather than imposing that on the retailers.

Wayne David (Caerphilly) (Lab): Minimum unit pricing has also been introduced in Wales, and the feedback there has also been very positive.

Richard Thomson: I thank the hon. Member for that intervention. It has indeed been introduced in Wales, and the evidence is that it has been a very positive thing in both jurisdictions.

We also need to look at promotions. Minimum pricing and other associated policies ended the practice of supermarkets using cheap, below-cost-price alcohol as a loss leader to draw people through the doors. Today's evaluation of minimum unit pricing in Scotland—I am sure there will be similar evaluations in Wales—shows that, in the 12 months following its introduction before the pandemic, there was a 2% reduction in off-trade alcohol sales and, more significantly, a 10% decline in alcohol-specific deaths in 2019. With more alcohol being drunk at home and with the changes in behaviour we saw throughout the pandemic, it is still reasonable to conclude that minimum unit pricing is contributing to a lower level of harm and adverse health, crime and social outcomes than might otherwise be the case.

All of this has been part of an initial suite of measures to try to change the relationship we sadly have with alcohol in Scotland. We can have an incredibly positive relationship with alcohol, but we cannot be blind to the impacts it can have. I am pleased that the Scottish Government are reviewing the effectiveness of the current system of alcohol brief interventions where people have exhibited problem behaviours, and are reviewing how the product is marketed and presented to consumers, as part of delivering those improved public health outcomes. I believe a review of where we are on duties is a ripe opportunity to do that, and I would be failing in my duty as an SNP spokesperson if I did not say that this would all be better if it were devolved.

Mike Wood: On a point of order, Mr Deputy Speaker. I should have drawn the House's attention to my entry in the Register of Members' Financial Interests relating to the hospitality I have received from, appropriately, the hospitality sector. Can you advise on how I may put that on the record?

Mr Deputy Speaker (Mr Nigel Evans): Thank you for giving me notice of your point of order. You have just done that, and I thank you for correcting the record at the earliest opportunity.

3.31 pm

Abena Oppong-Asare (Erith and Thamesmead) (Lab): I congratulate the right hon. Member for Vale of Glamorgan (Alun Cairns) on securing this Backbench Business debate. He covered all the points very well.

Despite the strange situation in which we find ourselves, I welcome this opportunity to debate the principles behind the taxation of alcohol and the details of the Government's alcohol duty review. I am glad the Government have managed to find a Minister to respond to this debate, and I welcome her to her place. We will see whether the review survives the change of Government.

Over recent months, I have engaged with representatives across the alcohol sector on these significant changes. The alcohol duty review represents the biggest change to alcohol duty in decades, so it is welcome that the House has had the opportunity to consider the changes in advance of legislation, for which I thank the right hon. Member for Vale of Glamorgan.

I also thank all the other hon. Members who have contributed. Many of them spoke on behalf of alcohol producers and retailers in their constituency. It is clear that our great many breweries, cider makers, distilleries, wine shops and other alcohol-related businesses play an important role in supporting local jobs and economies,

and we all know the importance of pubs to our local communities. It is good that hon. Members have been able to champion these businesses today.

Before addressing the specific issues, I will set out the principles that Labour believes should guide the changes. We agree that the alcohol duty system should be simplified and should be more consistent. For this reason, we welcome the principles behind the alcohol duty review, but we believe careful consideration should be given to individual changes. We recognise that there is a balance to be struck between supporting businesses and consumers, protecting public health and maintaining an important source of revenue for the Exchequer. Importantly, the Treasury must make sure there are no unintended consequences as it seeks to make these changes—we have heard about some of those unintended consequences in this debate. We also believe that special attention should be given to ensuring that small domestic producers are able to compete with global players across the industry.

I will now turn to some of the specific proposals for each category of product. The Government are proposing significant changes to wine duty. Currently, wine is taxed by volume, rather than by strength, and the Treasury states that there are a number of anomalies and distortions in the current system. The alcohol duty review therefore proposes that all wine products will be taxed in reference to their ABV. It also proposes abolishing the different rates for still and sparkling wine, which will benefit English sparkling wine producers. Some hon. Members have raised some of the issues of complexity in relation to wine duty, and I have also heard these concerns directly from the industry. The Wine and Spirit Trade Association says that the proposed system will replace one band with 27 bands, resulting in a significant increase in red tape for businesses throughout the supply chain. That is likely to cause particular problems for small and medium-sized enterprises, including SME importers and retailers. I hope the Minister is aware of these concerns, and I am sure all hon. Members would be interested to hear from her about any changes the Treasury is considering to mitigate the impact on the wine industry. We believe that the Government should set out a comprehensive assessment of the impact that these proposals will have on the regulatory burden faced by businesses in the wine sector and the steps the Government intend to take to mitigate them.

The Government's overall proposals for beer duty are relatively minor, as the current system is already based on the ABV of the product. The reduced rate for products below 2.8% is being widened and will now include products of up to 3.5%. I note this has been welcomed by the Campaign for Real Ale, which says that it will incentivise the production of lower-strength beers. However, the Society of Independent Brewers has raised concerns that this change may allow large brewers to undercut small brewers, so will the Minister look into this? The alcohol duty review also announced the Government's intention to introduce a new draught duty discount of 5% for draught products sold in large containers. Labour welcomes that proposal as an important way to support pubs as they recover from several very difficult years during the pandemic. However, there are concerns that the proposal to set 40 litres as the minimum container size risks excluding small brewers and small community pubs, which often use 20-litre or 30-litre containers. We believe the Government should set out

[Abena Oppong-Asare]

how many small brewers would benefit at different minimum sizes of containers. Will the Minister address that in her wind-up?

The alcohol duty review states that cider duty is not a well-structured tax, as high-strength ciders currently pay proportionately less duty than those at lower ABV. The review also directly links that to high rates of problem drinking associated with very strong white ciders. However, the review continues to treat cider favourably, with a rate less than half that of beer. We do recognise cider making's importance to many rural communities, but is the Minister concerned that the proposed changes will not go far enough in tackling the problem drinking associated with very strong ciders? Will she set out what assessment the Treasury has made of the public health impact of different rates of duty on high-alcohol cider, given it makes up a disproportionate amount of alcohol-related harm?

Spirit distillers, particularly the Scotch whisky industry, make a very important contribution to the UK economy and are an important export for the UK. I urge the Government to work with this industry to ensure it remains competitive. The Government are not making significant changes to the structure of spirits duty, but we welcome their reducing the duty on spirits below 22% to encourage the development of lower-strength spirit-based drinks.

Finally, I wish to say a few words about the proposal for a new small producers relief. Labour introduced a small brewers relief in 2002 and is proud of the effect that it has in supporting small brewers and creating the vibrant UK beer scene that we know exists. We therefore support proposals to extend the scheme to other producers, but believe that the Treasury should work closely with representatives of small brewers and cider makers to ensure that it continues to work effectively, because, as Members will know, the devil is always in the detail.

I have also had concerns from the wine and spirits industry that the proposed small producers relief will not apply to products above 8.5% ABV. The Government need to explain why they are excluding small distillers and small English and Welsh wine makers from this relief and what assessment they have made of the merits of including them.

To end my remarks, I look forward to hearing from the Minister on all the important points that I have raised. These are major changes that will affect businesses and consumers, and they deserve careful consideration. We will be scrutinising the forthcoming legislation closely, and I look forward to debating the issues again in the future.

3.40 pm

The Financial Secretary to the Treasury (Lucy Frazer):

It is a pleasure to respond to this debate and I congratulate my right hon. Friend the Member for Vale of Glamorgan (Alun Cairns) on securing it. It has been good to hear from hon. Members across the House and from the chairs and members of very important all-party groups on this subject.

It is very clear that my right hon. Friend is an ardent advocate for producers and traders in his constituency. Indeed, Wales has an historic association with alcohol production going back 4,000 years and today produces

many ciders, beers and wine. My hon. Friend the Member for Meon Valley (Mrs Drummond) also talked about the producers in her constituency.

As many Members have mentioned today, we are making changes to outdated, arbitrary and inconsistent alcohol tax laws. These reforms will make the system fairer, simpler and more aligned to public health goals than the system that we inherited from the EU. As the hon. Member for Erith and Thamesmead (Abena Oppong-Asare) said, these are significant reforms that we are making.

Before addressing the excellent points that have been raised today, I want to remind Members of the major changes that we are making to improve the duty system. Reform of our alcohol tax laws is long overdue. These laws have barely changed since the 1990s. That is largely because incoherent and prohibitive EU rules have, in the past, hindered much-needed change. In the current system, a high-strength white cider will pay less duty per unit than a low-strength beer. Sparkling wine—a product of which the UK has world-leading examples—pays much more duty than still wine, even when it is substantially less strong. Fortified wines are made with the addition of spirits, and yet they pay less duty than a liqueur made with spirits, even if they are the same strength. We have inherited 15 rates from the EU across five different products, and with three different methods of taxation.

The current system is complex and archaic. The Institute of Economic Affairs said that it “defies common sense”. Producers, importers and exporters in this country have called it “distorted”,

“perversely incentivised to produce stronger drinks”

and welcomed “the opportunity for reform”. We agree. Now that we have left the EU, we have an opportunity to create alcohol laws that are more rational and that support the many and varied producers and traders in this country that we have heard about today.

I wish to take this opportunity to remind everyone of the significant benefits that have been introduced with our reforms: a radically simplified system, slashing the number of bands from 15 to six and taxing all products in proportion to their alcohol content; taxing all products in the same rational way, a policy banned by EU law; and ending the premium rates on sparkling wine and equalising them with still wine, and substantially reducing duty on rosé. We have introduced new rates for low-strength drinks below 3.5%, encouraging innovation and reflecting consumer preferences for the low or no-alcohol market, and we are cutting duty on 3.4% beer by 25p a pint. We have modernised the taxation of cider, targeting unhealthy and problematic white ciders while cutting the duty for lower ABV craft and sparkling ciders. We have introduced small producers' relief to support the many small, artisan alcohol producers who continue to create world-leading products in this country. Those are benefits that would not have been available to us before we left the EU.

Daisy Cooper: Can the Minister clarify which specific EU regulation was preventing us from enacting duty reform?

Lucy Frazer: There are many laws in the EU, as the hon. Lady will know, that have dictated our laws for many years. Those are the regulations and directives that we are changing, not only in this area, but in many others.

Coming back to the system we are producing, we ran a consultation from after the autumn Budget until January this year and Treasury officials have met many stakeholders from across industries and public health groups. The hon. Lady said that we need to consult more, but I can assure her that Treasury Ministers, largely the former Exchequer Secretary to the Treasury, my hon. Friend the Member for Faversham and Mid Kent (Helen Whately), who was responsible for this area, have met colleagues from across the parties. We have spoken to and visited businesses, from the smallest to the largest, welcomed representations from many of the most important trade bodies and sat down with the Australian high commissioner, all to ensure that at the Treasury we have heard all points of view on the reforms. I can assure the hon. Lady and others that we are listening.

I will come on to the points that hon. Members have made. We have heard from industries, businesses and colleagues about their concerns, and we will continue to listen to the feedback. The comments made in this debate will form part of that listening. We are actively thinking about how we can reduce burdens on businesses while still preserving the many benefits of the system, not least the clear and obvious public health benefits of taxing products by their alcohol strength.

Many hon. Members have talked about issues with keg size, including my right hon. Friend the Member for Vale of Glamorgan, my hon. Friends the Members for Meon Valley and for Dudley South (Mike Wood), and the hon. Member for St Albans (Daisy Cooper). I want to assure them that, while I cannot make any announcements today, we are listening to that point. My right hon. Friend the Member for Vale of Glamorgan, my hon. Friend the Member for Dudley South and others talked about how small producers' relief is too complicated. I reassure them that we are determined to get rid of the cliff edge to support the growth of small brewers.

Other hon. Members talked about the duty charges on wine. I have spoken to the former Exchequer Secretary, who told me how she has been engaging with the sector on this very issue. The hon. Member for St Albans mentioned that she had visited the Wine Society and heard its views, and I know the Treasury is looking at ways to reduce the administrative burdens.

The hon. Lady also talked about fortified wines; she will know that we are reforming the duty on fortified wines to ensure that those products pay a consistent rate of duty per unit with still and sparkling wines and high-strength beers. We are increasing the duty on fortified wines to equal the duty on spirit-based liqueurs such as Baileys, because both drinks are made using spirits and we think it is right in those circumstances that they pay the same rates.

My hon. Friends the Members for Weston-super-Mare (John Penrose) and for Meon Valley talked about cider, as did others, and I hear what they are saying. They will know that ciders will benefit from new reduced rates for lower ABV ciders below 3.5% ABV, and as part of our new draught relief we will cut duty rates on draught fruit ciders by 20% to equalise them with beer, cutting 13p off a pint. Nobody has mentioned this today, but I would like to reiterate that we announced in the 2021 autumn Budget that we were freezing cider duty for the fourth consecutive year.

The hon. Member for Gordon (Richard Thomson) talked about Scotch and other spirits. I remind him that at the Budget the Government froze spirits duty, saving 52p off a bottle of Scotch compared with what it would have been if duty had risen with inflation. Because of the decisions that we have made, spirits duty rates are at their lowest level since at least 1918. It is a really important industry for us and we have an exceptionally competitive environment for Scotch to succeed. Domestic whisky volumes have expanded year on year, including throughout the pandemic, to reach their highest levels since 2013, growing by 11% over the past two years.

Richard Thomson: I am looking at a graphic that shows that when duty on a shot of whisky in the UK was 46p, duty on the same measure of whisky in Spain would have been the equivalent of only 12p. I wonder what Brexit benefit it might be that has resulted in that differential staying there even with whisky duties being frozen.

Lucy Frazer: The hon. Member will know that the benefit of Brexit is that we can now make these decisions ourselves, reflecting our own industries and what we want to do as a Government going forward.

We have heard many positive responses to the changes we have made, welcoming the substantial benefits that they will bring to businesses. Respondents to the consultation said that they

“wholeheartedly welcome the direction of the proposals.”

Many hon. Members have mentioned positive features of the proposals, which have been called a “genuinely significant achievement”. Crucially to a country that puts its people first, a public health group described the reforms as

“the largest and most positive shift from the perspective of public health in contemporary alcohol policy.”

I thank all colleagues who have contributed to this important and insightful debate. We will soon confirm details of the reforms and publish the draft legislation for consultation, alongside the Government's response. We have before us a once-in-a-generation opportunity to reform and improve an outdated system, with new incentives for producers to diversify and innovate, while introducing a direct boost for pubs. The reforms are more rational, they are fair, and they are better aligned to public health goals and consumer preferences. They support the great British pub and small producers producing fantastic, world-leading products. Our reforms spell exciting times for alcohol businesses in this country and will protect our brilliant heritage in alcohol production and trade.

3.52 pm

Alun Cairns: It has been a privilege to hold this debate and I am grateful to all Members who have contributed. I think it is obvious that right across the House there is strong support for the need for change and for the direction of travel that the Government have introduced, but also a recognition of the need for further change.

The hon. Member for St Albans (Daisy Cooper) highlighted the challenges to fortified wines, among other things. My hon. Friend the Member for Meon Valley (Mrs Drummond) talked about a range of issues, including the importance of the wine sector, particularly to her constituency, and the need to consider, as a key

[Alun Cairns]

issue, one broad range of 8.5% to 15% ABV. The Minister said that 15 rates across five products would come down to just six rates. That is a positive step, but it does not recognise the 27 measures per bottle that would need to be on wine alone, the different rates that would apply, and the difficulty of predicting them.

My hon. Friend the Member for Dudley South (Mike Wood), who is clearly a champion of the beer industry, drew attention to the importance of the sector, as well as welcome nature of the changes and some adjustments that are needed in order to secure them. The hon. Member for Gordon (Richard Thomson) rightly highlighted the importance of duty on Scotch whisky and the impact that that has. He also, I would suggest, recognises the Brexit opportunity given to the Scotch whisky industry.

The fact that the hon. Member for Erith and Thamesmead (Abena Oppong-Asare) highlighted some of the same issues as many Conservative Members draws attention to the consensus that exists across the House for change in this area. That needs to be along the lines that the Government are pursuing, but also in a way that really supports the industry, supports the Treasury in raising the revenue it needs, reduces red tape, and allows for innovation to take place. I am grateful to all hon. and right hon. Members for their contributions.

Question put and agreed to.

Resolved,

That this House has considered Alcohol Duty and tax on alcohol.

Dangerous Dogs

Motion made, and Question proposed, That this House do now adjourn.—(Andrea Jenkyns.)

3.55 pm

Wayne David (Caerphilly) (Lab): Last November a 10-year-old boy, Jack Lis from Pen y Bryn, Penyrheol, in my Caerphilly constituency was killed by a vicious dog. The dog attacked and killed Jack in a neighbour's home. The dog was an American XL Bully. In the trial, which concluded last month, one of the defendants, in whose home Jack died, was sentenced to three years. The other defendant, the owner of the dog, received a sentence of four and a half years in a youth offender institution. The dog, called Beast, had been bought on the internet only a few days earlier.

There can be no doubt that the dog had huge behavioural problems and was not going to be kept as a normal pet. Indeed, the previous owner of the dog stated that he was selling the dog because he could not cope with it anymore, and the dog was described as “aggressive” in its “For sale” advert. Moreover, CCTV recordings showed how the dog threatened and tried to attack people on the street. It is worth noting that during the course of the trial, the man who owned the dog breached his bail conditions in a blatant way.

It is the view of Jack's mother, Emma, who has been incredibly brave, that the sentences given to the two defendants were far too lenient. That is also the view of the local community in Caerphilly, and it is my view, too. An e-petition has been launched by Jack's mother, and it clearly expresses the view of so many people about the leniency of the sentences that have been handed down. In response to the representations that Emma has made to the Attorney General's Office, she has been told that it is not possible to refer these sentences to the Court of Appeal. Although the Law Officers have the power to ask the Court of Appeal to review certain sentences that appear to be unduly lenient, the power does not apply to sentences under the piece of legislation applicable here. I understand, however, that the Secretary of State for Justice has the power to add legislation to the scheme where a review can take place. Will the Minister therefore speak to her colleagues in the Ministry of Justice so that they can give active consideration to the Dangerous Dogs Act 1991 being included in the scheme?

It has to be said that even if the sentences in this case were referred to the Court of Appeal, the sentences of the two defendants could not be changed, as there could not be a retrospective change. It is nevertheless important that we learn the lessons from what has happened in this terrible situation when we look to the future. It follows from what I have said that the sentencing guidelines should be rewritten and strengthened in the light of this case.

Another important lesson from this terrible case is that the Dangerous Dogs Act 1991 is woefully inadequate and inappropriate to deal with the issue of dangerous dogs. The attack on 10-year-old Jack Lis is truly tragic, but attacks by dangerous dogs are not a rare occurrence. In the past 10 years alone, more than 20 people have died after being attacked by a dog. Each year, some 200,000 people are attacked by dogs in England alone. In Wales there have been more than 200 incidents

involving dangerous dogs during the last six months or so. In Gwent, which includes Caerphilly, between September 2021 and February 2022, 69 dog attacks were reported to Gwent police, three of which were on children aged 17 or under.

The main piece of relevant legislation is the Dangerous Dogs Act 1991, which applies to England, Scotland and Wales. It was under that law that the two defendants I referred to earlier were convicted and sentenced. They were found guilty of keeping or allowing a dog dangerously out of control where death is caused. As I said, the operation of that part of the Act could be significantly improved by strengthening the sentencing guidelines, but there also needs to be a fundamental rethink of the law as it applies to dangerous dogs.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing forward this debate. He rightly says that the law is specific to England, Scotland and Wales; it is a devolved issue in Northern Ireland, but the situation is similar. For example, about six or seven weeks ago, a constituent of mine was out walking with their young dog, which was attacked by three or four other dogs. The dog had to be put down. That is another example of legislation that does not work. To address that issue, my constituent had to bring a private court case against the person, which added to the trauma.

I understand that the hon. Gentleman is trying to bring forward a change in the legislation, which hopefully the Minister can review and consider. When that is done, will he share the information with the Northern Ireland Assembly and the devolved Administrations, so that we can all have better legislation, not just for his constituents—I am sorry to hear their tragic story—but for all of us across this great United Kingdom of Great Britain and Northern Ireland?

Wayne David: I thank the hon. Member for his support. Although the Act does not apply to Northern Ireland, there are arrangements in place. It is a serious issue in Northern Ireland, as it is in the rest of the United Kingdom. I will certainly liaise with him when I pursue the matter further.

Only four specific breeds of dogs are banned in the Act: the pit bull terrier, the Japanese Tosa, the Dogo Argentino and the Fila Brasileiro. Incredible though it may seem to many, the dog that attacked Jack Lis, an American XL Bully, is not listed as a dangerous dog—but I am not calling for that particular breed simply to be added to the list. There are many types of dogs, including cross breeds, that people could argue ought to be on the list, but there are two fundamental problems with that approach. First, because there is more and more cross-breeding, it is virtually impossible to maintain any kind of legislation that contains an up-to-date list. Secondly, proscribing certain breeds of dogs gives the erroneous impression that only listed dogs are dangerous, and it does not take into account how a dog is kept and trained. It has been said that most dogs have the potential to be dangerous if they are not trained properly.

We need to fundamentally change our whole approach to so-called dangerous dogs. Rather than relying on breed-specific legislation, which is clearly inappropriate, the Government ought to bring forward legislation based on a totally different approach to the issue. I know that the Government have done a lot of work

on it, and I contributed to a Westminster Hall debate on it only a few weeks ago. The response of the former Minister, the hon. Member for Bury St Edmunds (Jo Churchill), to that debate was encouraging, and I hope that the Minister will take us a bit further forward today.

The Government's starting point has to be an acceptance that there is a lack of any real evidence to support a breed-specific approach to protecting the public. I believe that there is a large amount of independent research, funded by the Department for Environment, Food and Rural Affairs, which lays the basis for a quite different approach. It shows that simply looking at a dog's breed is not an appropriate criterion for assessing that dog's risk to people. I know that the Government are fully aware of the conclusions of the Environment, Food and Rural Affairs Committee inquiry, which states that the current dangerous dogs legislation fails to protect public safety and also harms animal welfare. This is also the view of a whole range of organisations that have come together under the dog control coalition. These organisations include the Royal Society for the Prevention of Cruelty to Animals, Dogs Trust and the Kennel Club.

It is now over 30 years since the Dangerous Dogs Act was passed, and going beyond this Act, it has to be said that the legal framework for dealing with dog bite incidents is very complex, with a number of different laws applicable depending on the circumstances surrounding the incident. However, the breed-specific legislation has another fundamental weakness, which is the fact that it is to a large extent reactive in character. I believe that it is better to approach this issue of public safety before harm is caused, rather than responding to the consequences. Prevention has to be the watchword. That is why I want a comprehensive and fundamentally different approach to the issue.

A number of years ago, there were dog licences. The Government really ought to examine the possibility of reintroducing dog licences, but this time we should not simply see them as an easy way for Government to have an additional source of revenue. The money received should be used for a whole range of initiatives, including tackling the behavioural problems of certain kinds of dogs that lead to dog bite incidents. Resources could also be provided for dealing with stray dogs and for helping to fund dog training. Let us not forget that, at the moment, dogs have to have microchips by the time they are eight weeks old. Licensing could be an extension of this and a significant elaboration of it.

I am pleased that the RSPCA Cymru agrees with the approach I have outlined. As animal welfare in Wales is devolved to the Welsh Senedd, I look forward to having a constructive dialogue on this issue with Hefin David, the Member of the Senedd for Caerphilly, and the Welsh Government. Crucially, however, I also believe that an effective assessment needs to be made of potential and actual owners of dogs. At the moment, anyone in any circumstances can purchase virtually any kind of dog. I believe that local authorities should have a key role to play here. Local authorities also ought to have the statutory responsibility for ensuring that dogs are kept and housed properly, and that their owners are ensuring that their dogs are correctly and appropriately trained.

[Wayne David]

In addition, there needs to be firm control on the buying and selling of dogs. To return to the tragic case of Jack Lis, the dog that killed him was purchased on Facebook not long before the attack. Such purchases cannot be allowed to continue. That is why I would urge the Government to prevent the sale and purchase of dogs in this way.

Today, many of my remarks have focused on the tragedy of Jack Lis, and I want to pay tribute to his family, especially his mother, Emma. She has been enormously brave during this whole difficult time. Nothing can bring Jack back, but all of us need to do our utmost to prevent similar tragedies in the future. I look forward to the Minister's reply and I encourage her to be as positive as possible.

4.9 pm

The Parliamentary Secretary, Cabinet Office (Mrs Heather Wheeler): I congratulate the hon. Member for Caerphilly (Wayne David) on securing this debate on such an important issue, and our usual Adjournment friend, the hon. Member for Strangford (Jim Shannon), on joining in. I have listened carefully and appreciate that this subject is of keen interest to the hon. Member for Caerphilly and his constituents. As he stated, he recently contributed to a Westminster Hall debate on breed-specific legislation and has spoken publicly about dangerous dogs on a number of occasions. I appreciate his strength of feeling on this topic and commend him for his diligent campaigning.

Sadly, there have been a number of fatalities from dog attacks in recent months, many involving children. This of course includes the tragic death of the hon. Gentleman's constituent Jack Lis last November. I note that the owner and keeper of the dog were both sentenced last month, under the Dangerous Dogs Act, to four and a half years and three years in prison respectively, and they have been banned from owning dogs indefinitely. Sadly, individual sentences are for the courts to decide, based on all the evidence presented at trial, so I cannot comment further on that specific point. Again, I pass on my condolences to the Lis family—to Emma, who is bearing up so well.

The Government are determined to crack down on irresponsible dog ownership and to promote safe interactions with dogs. We are already taking action on this, and I want to take the opportunity today to set this out in more detail. As colleagues may know, Middlesex University was commissioned by the Department for Environment, Food and Rural Affairs to examine measures to reduce dog attacks and promote responsible dog ownership across all breeds. We published that report and its recommendations in December last year.

In response to that report, we have established the responsible dog ownership project, working with the police, local authorities and animal welfare stakeholders to consider the recommendations in detail and provide advice to Government. The project's steering group is overseeing a series of specialist sub-groups that are considering the recommendations and gathering further evidence and expertise from relevant stakeholders, academics and experts. This will inform the project's final advice regarding the report's recommendations. Please be assured that I will make sure the hon. Gentleman's speech today forms part of those consultations.

The responsible dog ownership project's data sub-group will be considering the recommendation to improve the recording of dog attack data and incident characteristics. The group will be giving specific consideration to current data collection practices across enforcement, healthcare and animal-based sectors, and will identify how these could be improved to strengthen the evidence base relating to dog control incidents and dog attacks, including breed-related trends. In addition, the Middlesex University report recommended the introduction of new legal requirements on dog ownership. We will be considering this recommendation and any relevant evidence in more detail, including the merits of dog licensing, which I hope the hon. Gentleman will be pleased about.

The responsible dog ownership steering group will also be looking at the possibility of strengthening enforcement, improving the quality and accessibility of dog training and awareness courses, and developing and supporting education initiatives—again, it is as though the hon. Gentleman read my script, but I am pleased about that. All these areas will be looked at in detail and the steering group will then provide advice to Government as to how to take these forward. We expect the work of the project to be concluded next year, at which point the Government will consider the advice and decide on next steps.

In response to the recent tragedies involving children, we have also undertaken a rapid response, in collaboration with stakeholders, police, local authorities and the devolved Administrations, to develop simple messages to promote safer interactions between children and dogs. The dog safety code was launched in June and highlights three key messages that all dog owners and families with children need to be aware of. First, be alert—always keep an eye on your dog around children and never leave them alone together. Secondly, be aware—get to know your dog; dogs use signals to tell us how they feel. Thirdly, be safe—any dog can bite; accidents happen far too fast. During the summer holidays, the Department of Health and Social Care and the Department for Education will be sharing this messaging for use by health visitors and child safeguarding professionals. This was also promoted during Child Safety Week in June. We want the dog safety code to become embedded in future communications.

I will change tack slightly. I recognise the strength of feeling on breed-specific legislation. Simply repealing the breed-specific provisions in the Dangerous Dogs Act with no other changes would increase the risks to public safety. We must therefore balance the views of those who want to repeal the legislation with our responsibility to protect public safety. Any changes to breed-specific legislation that we may propose will need to ensure that public safety remains at the heart of the regime.

Section 3 of the Dangerous Dogs Act makes it an offence to allow a dog of any breed or type to be "dangerously out of control" in any place. As well as that, the Anti-social Behaviour, Crime and Policing Act 2014 includes specific measures to enable the police and local authorities to tackle irresponsible dog ownership before a dog attack occurs, including through the use of community protection notices. To put the hon. Member's mind at rest, we will explore the effectiveness of the

current legislation and areas for improvement as part of the ongoing work of the responsible dog ownership project.

I hope that colleagues are reassured that we take these issues seriously and are committed to protecting public safety. I look forward to discussing the conclusions of the responsible dog ownership project with colleagues when they are available, and when the new Minister is appointed.

Madam Deputy Speaker (Dame Eleanor Laing): The whole House sends its condolences to the bereaved family. That was a very sad story. Our hearts go out to them.

Question put and agreed to.

4.16 pm

House adjourned.

Westminster Hall

Thursday 7 July 2022

[SIOBHAIN McDONAGH *in the Chair*]

Macpherson Report: Twenty-two Years On

1.30 pm

Dame Diana Johnson (Kingston upon Hull North) (Lab): I beg to move,

That this House has considered the Third Report of the Home Affairs Committee, Session 2021-22, The Macpherson Report: twenty-two years on, HC 139, and the Government Response, HC 274.

It is an enormous pleasure to serve under your chairship today, Ms McDonagh. I am grateful to the Liaison Committee for allocating time for this debate, although I am well aware that events outside this place may be occupying hon. Members' time this afternoon, so we do not have many Members present.

I am very pleased to see that we have a Home Office Minister with us, the Under-Secretary of State for the Home Department, the hon. Member for Corby (Tom Pursglove); I was worried when I heard that the former Policing Minister, the right hon. Member for North West Hampshire (Kit Malthouse), had been promoted to the position of Chancellor of the Duchy of Lancaster. I send my congratulations to him. I am very pleased to have the Minister here, and I am sure he is fully apprised of all the issues that I will raise.

I am sorry that the Home Affairs Committee felt the need to hold this debate. When we produce a report, it is normal to get a response from the Government within eight weeks. In this case, it took eight months. The Committee applied to the Liaison Committee for a debate in which to discuss the report, because we were concerned to ensure that the important issues we highlighted were raised in this place, and had not yet had a response from the Government. We subsequently got a response, and we are disappointed, shall we say, that the clear calls that we made on the Government in our very detailed and evidence-based report were not always heeded. We are pleased to have this opportunity to discuss some of the shortcomings of the response with the Minister.

This debate is particularly timely in the light of recent events, including the report on Charing Cross police station by the Independent Office for Police Conduct. I thank the former Chair of the Home Affairs Committee, now the shadow Home Secretary, my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), for leading the Committee during this inquiry.

I want to set the report and this debate in the proper context. Stephen Lawrence, a black teenager, was murdered on 22 April 1993 in an unprovoked racist knife attack in Eltham, south London. The inquiry into his murder, led by the late Sir William Macpherson, uncovered major failings in the police investigation and in the way Stephen Lawrence's family and his friend Duwayne Brooks were treated. Many of the findings and the subsequent

70 recommendations made by the Stephen Lawrence inquiry focused on long-standing issues that remain relevant today.

The Committee's inquiry was prompted by concern that in some areas, in the words of Baroness Lawrence, "things have become stagnant and nothing seems to have moved."

Our inquiry sought to assess progress against some of the most important Macpherson report recommendations on: community confidence; tackling racist crimes; recruitment and retention of black and other ethnic minority officers and staff; race disparities in the use of stop and search and other powers; and the late Sir William Macpherson's overall aim of

"the elimination of racist prejudice and disadvantage and the demonstration of fairness in all aspects of policing."

The Committee found that policing today is very different from 23 years ago. Since the Macpherson report was published, there have been important improvements in policing, including significant improvements in the policing of racist crimes, commitments made to promoting equality and diversity, and good examples of local community policing.

At this point, I ought to acknowledge the work of our police officers and staff. Across the country, police forces work hard each day to tackle crime and keep all our communities safe. Police officers and staff work immensely hard to deliver fairness in policing, to support black and minority ethnic victims of crime, to tackle racist hate crimes and to support community cohesion. The important role the police play in our communities is the reason the Home Affairs Committee produced the report.

Having said all that, I want to be clear that our inquiry also identified persistent, deep-rooted and unjustified racial disparities in key areas, including a decline in confidence and trust in the police among some BME communities, lack of progress on BME recruitment, problems in misconduct proceedings, and unjustified racial disparities in stop and search. In those areas, we proposed urgent action. We found that there had been an increased focus in policing on race inequality since the murder of George Floyd by a police officer in the United States of America in 2020, which again shone a spotlight on race injustice across the world. Reforms announced by individual forces, the National Police Chiefs' Council, Her Majesty's inspectorate of constabulary and fire and rescue services and the IOPC are, of course, welcome. However, it should not have required video footage of the murder of a black man by a police officer and the ensuing Black Lives Matter protests to concentrate the minds of the Government and the police on the imperative of race equality.

We are extremely grateful to everyone who contributed to our inquiry. We recognise that, for some, that involved retelling difficult and painful events. We would particularly like to thank Baroness Lawrence, Dr Neville Lawrence and Duwayne Brooks for their time and contributions. I also particularly thank the young people who shared their experience of the police with the Committee and who, along with the many other contributors to our inquiry, provided invaluable evidence that underpins our recommendations and conclusions. I thank our specialist adviser, Dr Nicola Rollock, and our specialist adviser on policing and the former chief constable of Greater Manchester police, Sir Peter Fahy, for their valuable input.

[*Dame Diana Johnson*]

Although the report was extensive and we covered many issues, I will focus my contribution on four key areas that the Committee considered. First, I want to focus attention on confidence in policing among BME communities. The Macpherson report called for it to be a ministerial priority that all police services should

“increase trust and confidence in policing amongst minority ethnic communities.”

However, all these years on, evidence to our inquiry showed that there is a significant problem in black communities with confidence in the police, particularly among young people. The report noted:

“Adults from Black and mixed ethnic backgrounds are less likely to have confidence in the police than adults from White or Asian backgrounds and the confidence gap has widened over the last few years.”

Our report also noted that 67% of white adults said they believed the police would treat them fairly

“compared to 56% of Black adults. All victims of crime should feel confident in turning to the police for help.”

It is of deep and serious concern that black people have much lower expectations than white people of being treated fairly and with respect by the police.

Data for England and Wales also suggest that the confidence gap between black people and white people in their local police is even greater among young people. In May 2019, we held a private roundtable with a group of young BME people from London aged 17 to 30 on their experiences, their views of their relationship with the police, and the use of stop and search. This was not universal, but the majority of participants told us that their experiences with the police had been negative, and that they did not feel confident in approaching the police for protection. The former Metropolitan Police Commissioner, Dame Cressida Dick, told us that,

“in London, following police encounters with young people, she often saw officers sending the young person off with a smile on their face.”

Indeed, our report added that

“She said that it was the police’s responsibility to ensure that ‘each interaction’ with a young person was as positive as possible”.

By contrast, a young participant at our roundtable told us that the Metropolitan police’s stop and search procedure was

“more hostile than professional”.

He said it was difficult for young people to trust the police due to their stereotyping of BME communities as likely criminals.

Our inquiry also found a lack of data on confidence by ethnicity at a local force level. That makes it much harder to hold local forces to account for concerns about BME communities’ confidence in the police. Concerningly, we found that increasing trust and confidence in policing is not being treated as a policing priority, or a ministerial policing priority.

I am pleased that the Government have agreed on the need to monitor trust and confidence in policing, both nationally and locally, and that they have improved the way in which they collect and use data, including on stop and search and community confidence. However, their response did not say how the Home Office is monitoring confidence among black and minority ethnic communities in policing locally. I hope the Minister can

provide us with an update on progress, specifically on how his Department is working with police forces to collect data on confidence in policing.

I turn to the issue of recruitment and progression of BME officers and staff. Throughout our inquiry, we heard concerns about community confidence in the police, the use of certain police powers, and wider racism in policing. Communities’ concerns about the racial disparities that we identified are exacerbated by the lack of BME police officers and staff at all levels of the police force.

The Macpherson report recommended that police forces be representative of the communities that they serve, and that targets be set for recruitment, progression and retention of minority ethnic police officers. However, the 10-year target set by the then-Home Secretary included a target for overall minority ethnic representation of 7% in the service by 2009. That was not met. Our report highlighted that even by 2020, BME officers represented just 7.3% of the police service across England and Wales. That figure is now 7.6%, but that is still far below 14%, which is the percentage of the population in England and Wales who identify as BME. Concerningly, under-representation is most marked in senior ranks. Only 4% of officers at or above the rank of chief inspector were from BME backgrounds; that figure is now 5%.

We found that police forces across the country have failed to do enough to increase BME recruitment, retention and promotion for decades; there has been a lack of focus, consistency and leadership on driving that recruitment and promotion for far too long. Shockingly, our analysis suggests that, at the current rate of progress, we will not have a properly representative police force in England and Wales for another 20 years. Just think for a moment: that would be four decades after the Macpherson report raised the seriousness of this issue, and nearly half a century after the murder of Stephen Lawrence.

More positively, we found that some forces—notably Nottinghamshire and Greater Manchester—are making significant progress in increasing BME recruits by taking positive action such as having targeted recruitment campaigns, working on youth engagement and outreach, and working with local community and faith leaders. However, the vast majority of forces are still failing to recruit enough BME officers to ensure that the proportion of BME people in the force is the same as the proportion in the local population.

I am therefore disappointed that the Government have rejected our recommendation to agree minimum targets for the recruitment of BME officers, so that constabularies reflect the composition of their local populations and we achieve at least 14% BME representation of officers nationally by 2030. Instead the Government response suggests that

“forces should be striving to become more representative of the communities they serve”.

That is not good enough. I would therefore be grateful if the Minister outlined what work the Home Office is doing to monitor how all 43 forces in England and Wales are working to reflect the composition of their local populations. Could he tell us what proportion of police forces are currently representative of the communities they serve? Also, what work has the Home Office planned to improve BME recruitment in policing when the uplift programme ends in 2023?

On police misconduct and discipline, during our assessment of the progress police forces have made on the Macpherson report's recommendations about diversity in the police workforce, we repeatedly heard concerns about the higher likelihood of BME officers resigning voluntarily or being dismissed from their force. There is a clear racial disparity in the number of officers being dismissed from police forces—BME officers are more than twice as likely as white officers to be dismissed—and in the number of BME officers subjected to internal disciplinary processes. It is extremely troubling that the disparity has been allowed to continue for so long without serious action being taken by police forces to investigate or address the problem, so we welcomed the work by the NPCC to instigate reforms, including improvements to training, misconduct guidance, welfare support and addressing the lack of BME officers in professional standards departments.

We also noted the NPCC's 2019 report on disproportionality in police complaints and misconduct cases for BME officers and staff, which identified that 63% of Home Office police force professional standards departments had no BME police officers or staff. That is deeply troubling and totally unacceptable. Our recommendation is that forces must address unacceptable racial disproportionality in their PSD composition. More positively, we welcomed the work done by some forces to draw on BME advisers and seek to address the lack of BME representation in PSDs, as reported in the NPCC's recent review. However, we urged all forces to address the problem and demonstrate progress by the end of 2021. Additionally, we recommended that the NPCC conducts a review on this issue and reports within a year.

I am pleased that, in their response, the Government recognise the risk posed by a lack of appropriate BME representation on a number of PSDs. It is also encouraging that ethnic minority representation on PSDs has risen by 2% since 2020, but clearly there is a lot more to do. The Government response said that the NPCC is working across policing to ensure appropriate representation and involvement of minority ethnic officers in decision-making processes in professional standards departments, so can the Minister update us on the progress, and provide details of both the Government's work and that of the NPCC to address ethnic diversity in PSDs?

Finally, I want to discuss the use of stop and search. We heard troubling examples of stop and searches being conducted in a manner that was deeply alienating and uncomfortable. Many of the young BME participants that the Committee heard from in a private roundtable session felt that they were unjustly targeted by the police from a young age, which led to mistrust. One such participant, Witness M, who reported that he was first arrested at the age of 13, told us that he was "nearly stabbed" in 2018 but did not want to speak to the police when they asked if he was involved, due to his negative experiences with the police from such a young age.

At the time the Committee's report was published, Home Office data showed that black people were over nine and a half times more likely than white people to be stopped and searched. The latest Home Office data—to 31 March 2021—show that black people are seven times more likely than white people to be stopped. Our report acknowledged that stop and search is an important police power, and the Macpherson report's conclusion

that it has a useful role to play in the prevention and detection of crime still applies. However, no evidence to our inquiry has adequately explained or justified the nature and scale of the ethnic disproportionality in the use of stop-and-search powers, particularly in possession of drugs searches.

At the time of our report's publication, evidence showed that black people were less likely than white people to have used drugs in the past year, but they were 2.4 times more likely to be stopped and searched for drug possession. Indeed, in its February 2021 spotlight report on the disproportionate use of stop and search and the use of force, Her Majesty's inspectorate of constabulary and fire and rescue services found that

"Drug enforcement, mainly through stop and search, contributes to ethnic disproportionality despite evidence that there is no correlation between ethnicity and rates of drug use."

Our report also recognises the importance of the police being able to take action against knife crime, including through stop and search, but highlights that only 16% of reasonable grounds searches in 2019-20 were conducted to find offensive weapons. I am encouraged by the fact that the Home Office's response confirms that the NPCC has undertaken an initial review of forces' implementation of recommendations made by HMICFRS in its 2021 report on the disproportionate use of police powers, which the Home Office said

"showed that the majority of forces have already implemented the recommendations or have plans in place to do so."

I hope the Minister can tell us how many of the 43 forces in England and Wales have implemented those recommendations on the disproportionate use of police powers. Can he also confirm whether that review is in the public domain?

Unfortunately, I have only been able to touch on the surface of the myriad issues we raised in our report, but I hope I have been able to give an overview of what is a very comprehensive report and the issues it raises—some of which, sadly, have not been satisfactorily answered in the Government's response. Our inquiry has found that the Macpherson report's overall aim of the

"elimination of racist prejudice and disadvantage and the demonstration of fairness in all aspects of policing"

has still not been met. We have identified persistent, deep-rooted problems where too little progress has been made because of a lack of focus and accountability on issues of race. While that is the case, trust between the police service and black and minority ethnic communities will remain low, and the long-standing Peel principles of fairness in policing and policing by consent will continue to be undermined. The commitments made over the past year by the NPCC, individual forces, and senior police officers to a step change in addressing race equality in policing are important and welcome, but commitments have been made in the past that were not then delivered on. This time needs to be different, or confidence may be permanently undermined.

Siobhain McDonagh (in the Chair): I call Anne McLaughlin to sum up on behalf of the Scottish National party.

1.52 pm

Anne McLaughlin (Glasgow North East) (SNP): Thank you, Ms McDonagh. It feels a little strange to be summing up after just one speaker, but the speech of the right hon. Member for Kingston upon Hull North

[Anne McLaughlin]

(Dame Diana Johnson) was a comprehensive one that took us on the journey that led to the need for this report. Twenty-two years on from the Macpherson report, it is clear that work remains to be done to tackle racism in society and in policing.

We wonder why people become disillusioned. I am sure that all those decades ago, when the report was published, there were many who heaved a sigh of relief—its aim, after all, was to

“increase trust and confidence in policing amongst minority ethnic communities”.

I am also sure that all those decades ago, when the aim of the report was stated to be

“the elimination of racist prejudice and disadvantage and the demonstration of fairness in all aspects of policing”,

many felt they had finally achieved progress. I am sure that everyone involved was aware that Rome was not built in a day, but had some hope, and maybe even allowed themselves a little confidence that life for those experiencing racism would soon change for the better.

The family of Stephen Lawrence, who was murdered and then denied justice because of the colour of his skin—the family in response to whom the Macpherson report came about—perhaps felt when that report was published that his death had not been completely in vain. I have met Stephen’s brother, Stuart Lawrence, and of course we all know or know of his father, Neville Lawrence, and his mother, Baroness Doreen Lawrence. Anyone who listens to Stuart or reads his book, “Silence is Not An Option”, begins to understand the catastrophic impact Stephen’s death had on everyone in his family and how they have all had to work so hard, almost every minute of every day, simply to survive.

To a lesser degree, the impact on whole communities was also devastating and life-changing. To have the hope that things would get better for other mothers, fathers, sons, daughters, brothers and sisters when the report was published 22 years ago, and then to come to the conclusion that Doreen Lawrence reached recently, namely that

“things have become really stagnant and nothing seems to have moved”,

which is the view that prompted the Home Affairs Committee’s third report on Macpherson, must make it all the harder to keep going.

That third report recognises that there remains an awful lot to do. As we have heard, it refers to a lack of confidence in the police among black people—a belief that they will not be treated fairly by the police and a belief that they are not treated with respect. We have heard the figures about stop and search. Saddest of all, there is the belief among black people that the police will not keep them safe.

The report is about England and Wales, but Scotland, of course, is not immune to these challenges, and the Scottish Government and Police Scotland have also taken decisive action recently to try to tackle them. The Chief Constable of Police Scotland, Iain Livingstone, spoke in March of the need for

“practical, firm, progressive, visible action”.

And he also said that

“Words and good intent are not enough.”

He is right, and he also made an offer to police forces across the UK to share the insight and value that Scotland’s hard-earned lessons can provide, in order to improve policing for communities across the UK.

I am very conscious that when Scottish National party MPs talk in this place about things that we do better, or just differently, in Scotland, sometimes there is a collective rolling of eyes: “Oh, not this again”. However, I hope that colleagues will accept that, yes, sometimes we are trying to make a political point but mostly we are trying to share our experience in the hope that it can help other public bodies, in this case police forces. The SNP group is always looking to the experiences of other countries, including the other countries of the United Kingdom, to see how we can improve our own public services. So I acknowledge that this is a two-way thing. In that spirit, I will talk about a time when I believe Police Scotland got things spectacularly wrong and also got its response wrong, too.

I am talking about Sheku Bayoh. Sheku died after being stopped in the street by two police officers, who were soon joined by another seven police officers, in Kirkcaldy, in Fife, in May 2015. There is a public inquiry under way about this case right now. However, it has been seven years since Sheku died and his family, who I have met on a number of occasions, have still not had answers. How did this fit young man in his thirties—a brother, a son, a dad, a partner, a friend—who had no weapons on him end up dead after encountering the police?

I cannot answer that question and I will leave it to the inquiry, but what I will say is that in any other situation where nine people confronted one person, and the one person ends up dead, those nine people would be taken in for questioning, at the very least. They would not be allowed to discuss what had happened with each other; they certainly would not be allowed to send out press releases that were later found to have wrongly characterised the dead man and that told their side of the story before the dead man’s family even knew he had died. It simply would not happen.

Given that we know—nobody denies this—that Sheku was sat on, and given that we know that there was no question over who was with him or who was sitting on him at the moment of death, how on earth can it have taken seven years before we even start to hear what happened that day? The inquiry continues and is considering whether race was a factor in Sheku’s death.

So, Members will not hear me nor, I imagine, anyone in my party claiming that Scotland or our police force is racism-free.

However, the overall approach to policing in Scotland is a community-based approach, which is built on policing by consent. It is about reducing tensions rather than inflaming them unnecessarily. The aforementioned Chief Constable of Police Scotland has consistently made it clear that the policing tone and style must reflect the need for positive engagement.

If we look at the recent lockdowns, we see that the vast majority of people complied with the rules, and policing in Scotland was focused on engaging, explaining and encouraging. That is reflected in public confidence in the police in Scotland, with figures from last year’s crime and justice survey showing that the majority of adults in Scotland believe that the police in their local area are doing an excellent job or a good job. That majority is 55%. Clearly, we want it to be higher than that.

I agree with the Chair of the Home Affairs Committee when she says that we need technology, and that the vast majority of police officers and other police staff work tirelessly to protect and support people in communities. That majority feel as let down as the rest of us when a small minority of police officers fall short of the expected standards.

As I have already alluded to, they do not always work but there are robust processes in place to investigate misconduct. It is a matter for Police Scotland to consider any disciplinary allegation, but if there are allegations of criminality against a police officer, Police Scotland will refer the matter to the Crown Office. What matters more than anything is that there are robust, clear and transparent mechanisms in place to investigate complaints or other issues of concern. I am pleased to say that things have moved on and improved in that respect, since Sheku Bayoh's death.

In 2018 the Scottish Government commissioned Dame Elish Angiolini to independently review police complaints handling, investigations and misconduct. Her final report was completed 2020; her review made 111 recommendations, the majority of which the Scottish Government accepted. The Scottish Government and Police Scotland are doing a lot more work on that than I have time to detail. However, some of the positives are around mainstreaming equality, diversity and inclusion, and working with diversity staff associations, such as SEMPER Scotland, which is an association that supports all minority ethnic employees in Police Scotland. The Chair of the Committee talked about recruitment targets. SEMPER has talked to me about not only recruitment but retention, and ensuring that environments are made in such a way that they retain those members of staff.

Finally, I will say a few words about the Scottish Government's new hate crime strategy, to be published later this year. It will set out our approach to tackling hatred and prejudice in Scotland, and it will complement the implementation of a modernised hate crime legislative framework. It is vital that the legislation is implemented effectively, so that once it is in force it offers strength and protections to those targeted by hatred and prejudice. It includes rigorous safeguards on free speech; it does not prevent people from expressing controversial, challenging or offensive views, nor does it seek to stifle criticism or rigorous debate. What it does is criminalise and hold to account those who express or demonstrate their prejudice in a threatening or abusive way with the intention of stirring up hatred or committing other offences motivated by prejudice.

I hope when the Government are able to get on with their day job fully—I understand why they cannot at the moment—the Minister's Department will look at that afresh. I echo the calls of the Chair of the Home Affairs Committee, and I look forward to the Minister's response. I will end by remembering just two of the many people failed by our systems on these islands. I think saying names out loud is important. Stephen Lawrence, rest in power. Sheku Bayoh, rest in power. You will never be forgotten.

2.2 pm

Sarah Jones (Croydon Central) (Lab): It is a pleasure to serve under your chairship, Ms McDonagh. I congratulate my right hon. Friend the Member for Kingston upon Hull North (Dame Diana Johnson), the

chair of the Home Affairs Committee, on her important contribution today. I put on the record how incredibly important the Home Affairs Committee report is, how thorough and good it was, and how important it is, 20 years on from the Macpherson report, that there is something looking back on what has been achieved and what has not.

My right hon. Friend set out very well what stage we are at, and how much more needs to be done. I am particularly pleased that during the process the Committee managed to talk to young people about their experience at the other end of a stop and search. I was talking to a Conservative police and crime commissioner the other day, who is black, and has been stopped and searched many times. I suspect that most of us in this Chamber have not had that experience because we are white. To understand what it feels like, and how intrusive it can be, I think we need to speak to people who are affected. I congratulate the Committee for thinking to do that—and for ensuring it was done.

We have been talking about racism and disproportionality in policing for decades, certainly since the Scarman report in 1981, the death of Stephen Lawrence in 1992 and then the Macpherson report in 1999. That report was a watershed moment for British policing. As my right hon. Friend the Member for Kingston upon Hull North said, the national figures on public confidence show that there is a significant variation, depending on their ethnicity, in people's confidence in the police. Confidence in the police was at 74% for white British people, 69% for black African people and 54% for black Caribbean people. The murder of Stephen Lawrence and the campaigning that has been done since has been so important in shining a light on these issues. I cannot not mention Doreen and Neville Lawrence, who have been so instrumental and gracious in the way they have tried to help us all do better when it comes to these big problems of racism.

When the Home Affairs Committee looked at Macpherson, it did find, as has been said, that there has been positive progress in some areas and that the policing of racist hate crimes and the representation of ethnic minorities within police ranks has improved. However, it found that there are persistent, deep-rooted and unjustified racial disparities in key areas. It found a lack of confidence in the police, a lack of progress on recruitment, problems in misconduct proceedings and stark racial disparities in stop and search. Although the Committee found that policing today is very different from 22 years ago and that there have been improvements, there are persistent problems and unjustified racial disparities in a number of key areas.

Macpherson rightly called for police forces to be representative of their communities. At the current rate of recruitment, it will take 20 years until police forces are such. I represent Croydon Central. Croydon is a very diverse borough and although our police force have done some brilliant work with local communities on building trust and confidence—important work, and I praise them for it—the colour of our police officers is still not reflective of the communities that they serve. The unit that goes out and does stop and search in Croydon has about 80 people, and last time I checked there was not a single black officer among them. That absolutely has to change, and change is happening too slowly.

[Sarah Jones]

Black and minority ethnic police officers are more than twice as likely to be dismissed from their role than white officers. The report also found that stop and search is more disproportionate now than it was 22 years ago. We know that when it comes to stop and search, the measure of success is whether a knife or something similar is found. When the right hon. Member for Maidenhead (Mrs May) was Home Secretary and reduced the number of stop and searches and made it more intelligence-driven, the incidence of disproportionality fell in that period. It has got worse again with greater use of section 60 stop and search.

Anne McLaughlin: Just on that, does the hon. Lady agree that allowing suspicionless stop and search under the Public Order Bill will increase disproportionality rates between the different ethnicities, because now officers will not actually need an excuse to stop and search somebody who might be near a protest?

Sarah Jones: The hon. Lady is absolutely right. We both served on the Public Order Bill Committee and it was deeply concerning to note that there has been a large increase in the use of section 60, not just to tackle violent crime and threat of harm but protest without any real consideration of how that will increase disproportionality. That is a real risk. The figures on disproportionality and ethnicity and drug use have already been given. They are really stark, and there is a lot of work to be done on stop and search in that context.

Recent high-profile cases have highlighted concerns around policing. The conduct of officers following the murder of Bibaa Henry and Nicole Smallman was deeply shocking for everybody. The strip-searching of children such as child Q and the adultification of children, particularly black children, that seems to be commonplace, the failings in the case of the death of Richard Okorogheye and the IOPC report on that and the conduct unveiled in the IOPC's report into the Charing Cross police station show that there are pockets in policing where progress is not happening fast enough. Those pockets seem to cover large areas, because such problems have not just been seen in the Met police; we have seen similar issues across the country, so all forces need urgently to address the deep and troubling lack of confidence among black communities in policing and the criminal justice system.

I have been working with police chiefs and the NPCC since they set up a big programme of work on disproportionality and racism in policing, and I am pleased that their action plan is significantly better than it was when first drafted. It has been beefed up and has some real legs. I am pleased to see the recommendations in there and the very honest way in which the police chiefs have articulated the problem. They have set out an ambition to identify and address disproportionality in the use of stop and search, particularly in relation to drugs and searches of children. They will have robust accountability and learning processes, based on security and supervision.

The challenge with stop and search and disproportionality across the board is that we can see the numbers but we do not know why there is an issue. We assume things about racism, but there is not proper evidence. Evidence needs to be gathered about the places where people are

stopped, the interactions and what happens to people. For example, if someone driving a car is stopped and searched, recording data is now being introduced. That was not the case before, and we know that there is huge disproportionality in stop and search for people who are driving. The evidence is not there for us to pull together and find out what needs to be done.

The NPCC will review the use of the smell of cannabis as grounds for stop and search, because that increases disproportionately. It will also review the use of Tasers, section 60, intimate searches and standardised recording practices. The breadth of what it has set itself to do shows how seriously it takes this issue. It will increase the awareness and understanding of every officer and member of staff about racism, anti-racism, black history and its connection to policing, through the introduction of a mandatory programme of training for all police officers and staff. Of course, we welcome that. It is looking at reducing racial disparities in misconduct cases and the complaints process, and is improving support to black officers and staff. As my right hon. Friend the Member for Kingston upon Hull North highlighted, there are pockets of good practice, but it is not across the board.

The NPCC is looking to trial and test methods for better enabling black people to have their voices heard and raise concerns. It is looking at the criminal exploitation of young black men, which we have talked about, and is working to disrupt the cycle of victims becoming offenders.

The NPCC is introducing a national standard across all recruitment and promotion processes to minimise race disparities. The Home Affairs Committee suggested targets. I am quite a fan of targets, and I have had lots of conversations with police officers about the unintended consequences of them. It is good that the NPCC has gone for a national standard.

All that work is good, but I worry that the Government do not take this issue as seriously as they should. They tend to push it out to individual police forces or to the NPCC, when it chooses to come together. I worried about the introduction of serious violence prevention orders in the Police, Crime, Sentencing and Courts Act 2022 without a proper analysis of what the disproportionate impact will be on young black men. I worried about the extension of section 60 to protests without any proper consideration of disproportionality. We all worried when we read the Commission on Race and Ethnic Disparities report, which the Government commissioned, and the lack of action in it.

I worry that the Government have a habit of waiting for the IOPC or HMIC to look at something and bring out a report, which often takes years, instead of taking action themselves. For example, the IOPC and the inspectorate looked at what happened during lockdown in London, where there was an increase in the use of stop and search. Habits formed around handcuffing people—in particular, young black men—when they were being stopped and searched, which the police are not supposed to do unless there is a threat of violence. What I think happened was that a lot of new, inexperienced police officers came in through the uplift. They were not supervised properly and they learned bad behaviour. They learned how not to do stop and search, because more experienced people were not there to do it. I worry that the Government did not see that problem and intervene to do something about it.

The Labour party has long called for improved anti-racism policies and for tougher action to increase diversity in all ranks of policing. A clear combined plan needs to be implemented by police forces, driven by the Home Office, with proper scrutiny and consequences if action falls short. Racism and bias must be tackled wherever they are found.

After child Q, we all called for new guidance on strip searches, but we still have not seen it. When it comes to the pressing issues of reforming police culture and standards, there are myriad actions that Ministers could choose to take, but they point to inquiries that have been set up and tell us that we must wait for this and wait for that, without taking action themselves. A record number of police forces are in the engage phase, a form of special measures. We need a national overhaul of training and standards. There is much to be done on leadership in the police. We need better leadership development at every rank and a new vetting system. We need to overhaul misconduct cases and new rules on social media use. All of those things would help tackle some of the disproportionality and bad culture in the Home Office. All of those issues could be led from the front, with the Home Office taking action.

A lot of these problems are in the Met. If we look at its ratio of PC to sergeant, we will see that supervision has been cut more than that of any other force, so there are not enough supervisors to make sure that the right cultures and practices are in place for PCs. Surely the Government cannot be happy with that ratio and the lack of support for the raft of new officers. There has been a hollowing out of experience. The Government cannot replace the 21,000 experienced officers they have cut without losing all their helpful experience.

The report is very important. It highlights that progress has been made, but there is lots more to be done. I congratulate the police leaders and the NPCC who are independently pushing new proposals to improve things, but without Government intervention and leadership I do not think we will go fast enough. The suggestion that it will take 20 years to have a police service that is reflective of the communities they serve is a stark example of that.

The policing style in Britain is one of consent. The public have to trust the police for the system to work, and at the moment some communities, particularly black communities, do not. The public need to trust the police. Victims need to get the justice they deserve, regardless of the colour of their skin, and our officers deserve to work in a police force that has high standards and a respectful culture.

Given the chaos around us, the Minister does not have this power right now, but the new Government could choose to drive up standards. They could insist on the recruitment of more black officers, tackle disproportionality and increase professionalism in policing, instead of saying, time and again, as the former Policing Minister always did, that there is an inquiry into this, a report on that, and that we would just have to wait and see. Tackling racism is an active job. As one of the resigning Ministers, the right hon. Member for Bromsgrove (Sajid Javid), said yesterday:

“not doing something is an active decision.”—[*Official Report*, 6 July 2022; Vol. 717, c. 876.]

2.19 pm

The Parliamentary Under-Secretary of State for the Home Department (Tom Pursglove): It is a great privilege to serve under your chairmanship, Ms McDonagh. I will start by congratulating the Chancellor of the Duchy of Lancaster, my right hon. Friend the Member for North West Hampshire (Kit Malthouse), on his appointment. He has moved on from being the Policing Minister, which explains why I am here in Westminster Hall to respond to this debate on behalf of the Government. I will, of course, do my best to engage in the subject and answer the points that have been raised. If there are any gaps in my knowledge, after having had a brief opportunity to familiarise myself with the subject matter, I will be delighted to write to Members to make sure that answers are provided.

I offer my thanks to the right hon. Member for Kingston upon Hull North (Dame Diana Johnson) for securing this debate and for the work of the Home Affairs Committee on what is clearly an immensely important topic. She raised the delay in the Government's response to the report. I can only apologise; we took longer than usual to respond. That allowed for the publication of the “Inclusive Britain” report, which is a more detailed account of action taking place across policing in response to the issues that the Committee's report raised. It was useful for that to be developed in full and for this debate to consider it in that context.

Dame Diana Johnson: I hear the Minister's point, but I wonder whether he might be able to help me further. A Home Office response is also outstanding to another of our reports on rape investigations and prosecutions. We had expected a response within eight weeks, but we are now well past that. When he goes back to the Department, will he chivvy it along and see whether we can get a response to that report as well?

Tom Pursglove: It is fair to say that I and the Department are always keen to be as helpful as possible to Select Committees. I think that is important, as Select Committees perform an important function in scrutinising the work of the Government. I will very happily take away that request and see what can be done to try to expedite the Government's response to that report.

Let us go back to the subject of today's debate. The murder of Stephen Lawrence was a heinous crime that shocked this country to its core. While this is a case that has gone on to assume wider significance for policing and for society more generally, it is important to remember that it all started with the senseless killing of a young man who had his whole life ahead of him. My thoughts remain with his family.

As parliamentarians we are accustomed to discussing reports, but very few, if any, have such a profound, long-lasting impact as the Macpherson report. It has left an indelible mark on policing. It is no exaggeration to say that the findings were seismic. They continue to reverberate today, with the report remaining a marker against which we can track and measure progress. And over the past two decades, there has been progress. The police service is more diverse than ever before, forces have worked hard to improve community engagement, and we have seen major improvements in the way in which the police deal with racially motivated crimes, but there is undoubtedly more to do.

[Tom Pursglove]

As Ministers have said on many previous occasions, public confidence and trust is integral to the long-standing model of policing by consent, and that confidence and trust must never be taken for granted. Recent events have provided a reminder of that, not that anyone should need one. The police have a unique role in our society, and they are invested with immense powers to enable them to perform that role, so when things go wrong or when those powers are abused, the repercussions are far-reaching and significant.

The Government have consistently challenged the police to improve. We will continue doing that, because that is what the law-abiding majority expect and deserve. All communities should have confidence in the police. The police's ability to fulfil their duties is dependent on their capacity to secure and maintain public trust and support for their actions, as part of our long-standing and cherished model of policing by consent.

The Home Office has fundamentally reformed its governance and oversight of policing. In 2019, the Home Secretary established the National Policing Board to bring together key partners, providing strategic direction and strong cohesion across the law enforcement system. Through the board, we are providing strong leadership on key issues, including violence against women and girls, diversity and trust in policing.

Police leaders also have a vital role to play and the National Police Chiefs' Council is central to the effort to drive improvements and embed reforms. Local accountability is another important feature of our policing model. Different forces have different challenges, and elected police and crime commissioners are there to hold chief constables to account.

We must remember that confidence and trust in the police are impacted by many factors. Many people have very little engagement with policing, and so their perceptions are much shaped by other sources, including social media. That is why communicating to the public the action that policing is taking is so important. There is more to do, and together we must press on with urgency and energy, chasing improvements that benefit both policing and the public.

Given my brief within both the Home Office and the Ministry of Justice, and as the victims Minister, I am acutely conscious of this issue. It is one of the reasons why the Government are bringing forward the victims Bill to enshrine the rights of victims in law, to ensure that there are more expeditious complaints processes in place, to remove barriers to victims coming forward, and to ensure that complaints are properly heard. Accountability must be better structured at both the local and national levels, with a focus on being able to get to grips with systemic issues and challenges where we find them. That is also, of course, about public confidence.

We also need to make sure that data can be used to help boost confidence, which is something that has been touched on, particularly by the Chair of the Select Committee, who asked about data collection. The Home Office will continue to work with bodies such as the National Police Chiefs' Council and the Association of Police and Crime Commissioners to consider how best to support forces in collating data on confidence and making it publicly available. As part of the "Police Race Action Plan", the NPCC and the College of Policing

expect to work across policing to improve the consistency of capture, application and use of data and information relating to race and inclusion. We also support the use of data in better informing leaders, such as PCCs, about the information needed to hold forces to account.

The Home Affairs Committee's report highlighted the importance of a diverse police force, and I could not agree more. I am pleased to say that our police forces across England and Wales are more diverse than they have ever been. The 20,000-officer uplift is a once-in-a-generation opportunity to support all forces to become more representative of the communities they serve. The latest uplift data—to 31 March 2022—shows that there are now 11,172 officers from ethnic minority backgrounds, which is the highest number on record. The figure represents 8.1% of all officers, which is the highest proportion ever and an increase from only 4.7% in 2010.

It might be helpful for the context of the debate if I add that 49,000 female officers are now in place, which equates to 34% of the total—the highest number and proportion on record—and that 18 forces are at representative level compared with force area population. Undoubtedly there is still more work to do, which is precisely what we will continue to focus on. To provide a little more detail, the police workforce are more diverse than ever when it comes to recruiting officers from minority ethnic groups, but we know, as I have said, that there is much more to do. We are supporting efforts to achieve the diverse police workforce that our communities need, by co-ordinating efforts between the Government and policing not only to attract more diverse candidates into policing, but to ensure that it is a career in which all recruits can thrive.

Sharing best practice, engagement with associations, upskilling recruitment teams and enhanced data capture are just some of the efforts being made to improve police diversity. We are supporting forces with a variety of attraction and recruitment strategies, while delivering a campaign that has been designed to reach the widest and most diverse audience possible. We use real police officers with real experiences in our campaign, which seeks to speak to our diverse communities and reinforce the message that policing is a career choice for all. I think that is a message that all Members of this House would want to take out in encouraging people of all backgrounds to come forward and serve in our communities across the country.

On the issue of black, Asian and minority ethnic representation in professional standards departments, the police uplift programme gives us a once-in-a-generation opportunity to support all forces to become more representative of the communities they serve in the way that I have described. As of March 2022, there are more than 11,000 officers from ethnic minority backgrounds. In March 2021, 9.8% of officers working in professional standards departments were of a BAME background—up from 7.9% in 2020. Although positive, that alone does not lead to improvements on disproportionality, so we must not be complacent about this issue.

The Government published "Inclusive Britain" this year. It presents a clear strategy to tackle entrenched disparities, promote unity and build a more meritocratic, cohesive society. It sets out over 70 actions to level up the country and close the gap between different groups across education, health, employment, policing and the wider criminal justice system.

The Government have made a series of commitments, including driving forward local community scrutiny of police use of powers, helping police forces to become more representative of their communities, and bringing into force the serious violence duty. We will also support the College of Policing and the National Police Chiefs' Council to review and deliver any necessary improvements to police officer training in de-escalation skills and conflict management in everyday police-citizen encounters.

There is no place for racism in the police. The public rightly expect every police officer to act with the highest levels of honesty and integrity. This includes an effective and transparent police culture. That is why policing must take action now. The National Police Chiefs' Council and College of Policing will deliver a new race action plan that gives officers the tools they need to build trust and confidence with black communities, so that they are better equipped to challenge racism and identify and address racial disparities across policing.

The majority of police officers act with the highest standards of professionalism, serving our communities and keeping us safe. Those who breach professional standards by discriminating against others should be held to account through robust and effective systems for dealing with allegations of misconduct. This Government have introduced a number of reforms to strengthen the police complaints and disciplinary systems, including creating the IOPC, the successor body to the Independent Police Complaints Commission, which was established following Macpherson's report.

As recognised in the Home Affairs Committee's report, much progress has been made on hate crime. The Government have created a comprehensive system of reporting and recording of all crimes targeting race, religion, sexual orientation, disability and transgender identity. It is now mandatory for police forces to record the ethnicity of victims of racially or religiously aggravated offences. To tackle online hate crime, we are taking forward the Online Safety Bill, through which companies will be held to account for tackling illegal activity and content, such as hate crimes, harassment and abuse.

On stop and search, the police engage daily with communities who are worried about the safety of their neighbourhoods and want to see more done to protect them from knife crime. Around 45% of stop and searches take place in London, where data shows that young black men are disproportionately the victims of knife crime. Police chiefs are clear: stop and search is a vital tool to reduce serious violence and keep people safe. For the purposes of the debate, it is worth adding that in 2020-21, stop and search removed almost 16,000 weapons and firearms from our streets and resulted in nearly 81,000 arrests.

We could not be clearer that every weapon taken off our streets is a potential life saved. The consequences of those weapons being on our streets can be catastrophic, as we know. Nobody should be stopped and searched because of their race or ethnicity, and safeguards exist to ensure that does not happen. We recognise and agree that more can be done to improve accountability and transparency about the use of these powers. That is why we have committed to look carefully at strengthening the system of local community scrutiny of police decision making, to give greater clarity and context to stop-and-search data and reassure the public about its use.

We will also seek to remove unnecessary barriers to the use of body-worn video, which can be a vital tool for transparency and safety. This is about building trust. With that in mind, the Government have already improved our data collection on stop and search, and now collect more data than ever before, but we will not stop there. We have committed to work with policing partners and the Association of Police and Crime Commissioners to consider a range of metrics for stop-and-search rates in order to identify and, where necessary, challenge disparities at police force area level.

A question was raised about what would happen after the uplift of officer recruitment. Recruitment will continue. Forces have to maintain numbers and replace officers who retire or leave. The Department are putting building blocks in place, through much better data and greater understanding, and would expect forces to continue to attract and recruit diverse candidates where possible.

In closing, I again thank the right hon. Member for Kingston upon Hull North for securing this debate, and for her work as Chairman of the Home Affairs Committee. I am also grateful to all other hon. Members who have contributed today. As I have set out, progress has been made over the last 23 years. The police service today is not the same service that it was when the Macpherson report was published. It is important to acknowledge that, and to remember that thousands of men and women go out every day to keep the rest of us safe, performing their duties with pride and professionalism. However, much more needs to be done. The Government do not shy away from that fact, and neither must the police.

2.35 pm

Dame Diana Johnson: I thank everybody who has contributed to what has been a well-informed debate. We do not often spend enough time looking back and taking stock of what has changed and what perhaps has not changed. When Select Committees produce reports that are able to do that—take evidence, look across the piece and come up with recommendations—it is important that we are able to debate them, and that the Government take them seriously and consider them fully.

Today's debate has highlighted where we may be storing up future problems for ourselves, such as the reference in the Public Order Bill to the right to stop and search. I was pleased to hear what the Minister said about improvements in data collection—particularly, again, on stop and search—and the progress made on recruitment from BME communities. I think he said that the figure is now 8.1%, so progress is being made, but it is still not fast enough. It is also pleasing to hear that 18 forces are at representative level for their communities, but that is out of 43, so again, it is not good enough. We will continue to monitor the progress of police forces and the Home Office in the months to come, and I am sure the Home Affairs Committee will return to the issue of policing in future months.

Question put and agreed to.

Resolved,

That this House has considered the Third Report of the Home Affairs Committee, Session 2021-22, The Macpherson Report: twenty-two years on, HC 139, and the Government Response, HC 274.

2.37 pm

Sitting suspended.

BACKBENCH BUSINESS

[DEREK TWIGG *in the Chair*]

Restoration and Renewal

[*Relevant document: Tenth Report of the Committee of Public Accounts, Restoration and Renewal of Parliament, HC 49.*]

3 pm

Sir Geoffrey Clifton-Brown: I beg to move,

That this House has considered the Restoration and Renewal Programme in the House of Commons.

Good afternoon, Mr Twigg. I thank you and Mr Speaker, through the Backbench Business Committee, for granting me this opportunity to move the motion. I also thank the Whip, my hon. Friend the Member for Nuneaton (Mr Jones), who has stood in at very short notice, because I gather the Leader of the House is required in a Cabinet Committee going on at this very moment. May I thank all my colleagues for attending? The right hon. Member for Newcastle upon Tyne East (Mr Brown) and the hon. Member for Sheffield South East (Mr Betts) have been with me on the same journey for many years, through the Finance Committee, on this restoration and renewal debate. We have seen all the twists and turns. I also thank the shadow Leader of the House for being here to reply.

To begin, I should draw attention to my declaration in the Register of Members' Financial Interests as a chartered surveyor—although I do not expect to profit in any way from this whole venture. The Palace of Westminster has played a 900-year role in our political history. It is no surprise, therefore, that we are under a UNESCO world heritage site obligation to protect this wonderful grade I listed building, which has iconic status throughout the world. We need to maintain high standards so that it is a safe and accessible place for all who work and visit here.

The restoration and renewal programme has been briefly defined as a major refurbishment programme that is needed to protect and preserve the heritage of the Palace of Westminster and ensure that it can continue to serve as the home to the UK Parliament. Both Houses agreed that there was

“a clear and pressing need”

for the repair works to be done. There are a range of essential works that need to be carried out to prevent any further major fire incidents or falling masonry, to remove asbestos and to improve the services, which are cracking at the seams.

That could mean doing the minimum amount of work to ensure that the existing building's layout remains largely the same, so that we are able to function properly for the next generation of, say, 30 to 50 years. It could involve making sure the building is entirely safe, with every bit of stonework thoroughly inspected, ensuring it is completely watertight, carrying out a proper asbestos removal programme so that everyone, both inside and outside the building, is properly at minimal or no risk from that hazard, and, finally, renewing all the services, as there is currently a significant risk of major failure.

A more ambitious project, which would inevitably add considerably to the costs and timeline, would see other major developments also taking place. The Palace

could become increasingly more accessible for people with any kinds of disability, and services could be upgraded to the latest design, with digital future-proofing and improved, redesigned energy systems to provide optimal green standards to meet the aims set out in the public sector decarbonisation scheme.

As the Public Accounts Committee heard this week, the public sector has a target of achieving a 50% reduction in direct emissions by 2032 and a 75% reduction by 2037, compared with 2017 baseline emissions. The R and R delivery authority has set out an ambitious programme to enable the parliamentary estate to achieve net zero. However, it will be difficult to properly assess the details of how the policy will be achieved until a definitive way forward is decided. Even without that information, it is unlikely that the Palace will be able to meet the same decarbonisation standards as many other public buildings due to its historically old nature. The energy system, which has not yet been decided, could be completely redesigned to provide optimal costs and energy efficiency.

The Palace has four main floors and 65 different levels, with just one lift that meets modern disability standards. That means that 12% of the building is accessible to wheelchair users. I have experienced for myself, as I am sure other Members of Parliament will have, the difficulty of getting disabled people into this place. We have, under the Disability Discrimination Act 1995, to do better, so that is an essential part of the upgrade in renewal and restoration. The programme is committed to improving accessibility, which is outlined in the business case, which has been updated following regular engagement with representatives of staff with disabilities, and with independent accessibility and inclusion technical experts.

However, the size of the project is enormous. It is estimated to cost somewhere between the Olympics, at £8.77 billion, and Crossrail, which cost £18.25 billion. The cost will ultimately be decided by the scenario chosen. In my capacity as deputy Chair of the Public Accounts Committee, I have seen time after time large public procurement projects—whether by the Ministry of Defence, the Department of Health or another Department—experience time and cost overruns. Some cost the taxpayer billions of pounds more than the original budget, due to the client—usually the Department—changing its mind on specification as the project progressed, always wanting the latest bells and whistles.

All this work is bound to come at significant cost to the public purse, running into tens of billions of pounds. Although it has been assessed that some essential work, such as the removal of asbestos, can be done in stages and by working around the usual business of the House—meaning at weekends or when the House is not sitting—it would appear that a level of decant for some period will be a serious option to consider, in order to prevent the time for works and the costs becoming completely excessive. As the Clerk of the House said in a recent Public Accounts Committee hearing:

“We have asbestos incidents about once a year...The asbestos is a really extensive challenge. The largest other project that we could find had about 90 people for 18 or 20 months”.

Therefore, it has become quite clear that it will be impossible to complete this project without some decant from both Houses at some stage.

The decant option would minimise costs, even if it is only a partial decant, or if one House at a time is upgraded, which would have the advantage of allowing

one House—say, the House of Commons—to remain in Parliament throughout the period, allaying the fear of some, who believe that we will never return once the project is complete. It would also mean that important speeches at both a Government level and at an individual level—for example, a Member’s maiden speech or their retirement speech—can still be made in one Chamber or another.

A partial decant would allow all the necessary works to take place to remove asbestos to whatever is deemed to be an acceptable level and to renew all the services. It is technically possible to carry out the work around the House, but not only would that take considerably longer, it would not account for anything unpredictable found as the works go along. As any chartered surveyor in particular will know, no matter how good the intrusive surveys are, there are a huge number of areas—voids, floorboards, roof voids—where it is impossible to rule out any unacceptable snags being found as the work progresses. Those will of course need to be resolved, which means the project will take considerably longer. Thereafter, it would be possible for both bits of the Palace to be reoccupied—for example, both Chambers—with all the necessary essential services, namely restaurants, Committee rooms, and so on, by siting those services in nearby temporary structures.

In 2018, the House of Commons voted by a majority of 16, or just 4% of the 456 Members voting, for the two Houses to be fully decanted during the works, before returning as soon as possible. After that debate, the House of Lords approved a motion for a full and timely decant. In April 2020, the Sponsor Body said that it expected to start works in 2026, assuming that that was required to develop a business case by 2023. The Sponsor Body now estimates that the main works will start in 2027. However, the cheapest plan involves a full decant of the Palace of Westminster for between 10 and 20 years, with the work costing in the region of £7 billion to £13 billion—these were the figures given to the Commission by the Sponsor Body.

Another suggestion, which would cost the most and take the longest, is for the project to be done with the Houses remaining within the Chambers throughout the entirety of the restoration and renewal programme of works, with no transfer. It is estimated that this option would cost a staggering £11 billion to £22 billion and take in the region of 46 to 76 years.

The Leader of the House has tabled a motion for next week that seeks the House of Commons’ endorsement of the Commission’s latest recommendations. It seeks the approval of the establishment of a new joint department to take over the Sponsor Body’s functions. If the motion is approved, secondary legislation will then be required to abolish the Sponsor Body and transfer its functions to the new joint department, with staff TUPE-ing over.

In hindsight, it is clear that the Sponsor Body did not function as successfully as it could have, or even as it was supposed to under the Parliamentary Buildings (Restoration and Renewal) Act 2019. It was supposed to fully consult Members of Parliament, peers and above all people who work in this place, if for no other reason than to seek their views and see if there was a consensus on the way forward, particularly on the controversial aspects such as decant. More importantly, Parliament should have been consulted, because it was all of us who were going to be inconvenienced by

this project over a number of years. I would suggest that this consultation exercise is critical for the new joint body.

Without a clear deadline or line of responsibility, there is a degree of confusion surrounding this project—unlike the Olympics, where the sponsor body was able to deliver because it had clear deadline and remit from the Government Department involved, so it had a much simpler task. It was envisaged that the House itself—the Commissions—would transfer its clients function to the Sponsor Body, which would then get on and do the job. Actually, I think the Commissions, authorised by the House, would inevitably always have a role closely liaising with the Sponsor Body. I think it was a disconnect, partly perhaps because of covid, that that did not happen. Suspicions arose, and the Sponsor Body came up with a huge cost, which the Commissions then said was unacceptable.

It would have been preferable if Parliament had been more closely involved in the decision making on this project. Far too much power has been delegated to the Commissions, instead of them consulting Parliament, as we saw in February when the Sponsor Body was abolished with very little publicity or explanation. Having had a series of hearings since with the Public Accounts Committee and meetings with the Clerks, union representatives and the chief executive, it is clear that the lines of authority need to be much clearer if this project is to succeed in future.

There is a further problem. With general elections taking place every five years or less, new parliamentarians will be elected. That will inevitably change the balance of Parliament, and that will change the parameters of the project. This will add significantly not only to the costs, but to the time it takes to complete the project. We have to find a way to ensure that, once we do have this proper consultation, we somehow enshrine whatever we decide we should do to take this enormous project forward and make sure that we do not continually add to it—to use my phrase, adding bells and whistles—because that will add huge uncertainty.

The misconception about how the 2019 Act set up the delivery authority meant that it was not able to talk properly to the decision makers before February. After the Commission’s had decided that the Sponsor Body should be abolished, the delivery body then started talking directly to the Commissions. This shortened line of communication started to unblock some of the blockages that had crept into the system. There is a misconception about how the Sponsor Body is responsible for restoration and renewable, compared to the sponsor body that ran the Olympics. However, it is now being abolished, and we will now have this new joint department. I urge that new department to improve its communications, not only with the Commission—to which it is directly accountable—but Parliament as a whole, so that it is constantly updated. If Parliament is updated, it can have a view on the whole matter, and hopefully the project will not continually need changing as it goes on. Major buy-in to the project will help with its more controversial aspects, such as the decant debate.

The parliamentary Sponsor Body failed in two important areas. First, it did not engage comprehensively with parliamentarians and staff to ascertain what they wanted from the project. Secondly, off its own bat, it gave unacceptably long decant completion times, which came

[*Sir Geoffrey Clifton-Brown*]

with momentarily large accounts attached. As I have said, the House of Commons and House of Lords Commissions became increasingly alarmed by those figures and decided to abolish the Sponsor Body. However, at a stroke, that baked in certain nugatory and unnecessary costs: £80 million for the replacement of an unwanted Chamber in Richmond House, £20 million for the fire safety system in the cellar—which will now need to be ripped out—and at least £100 million for setting up and abolishing the Sponsor Body. It adds up to well over £300 million completely wasted. We can all imagine what that £300 million would buy in our constituencies, such as upgraded school programmes and so on.

However, I believe we are on a better track, now that we can see exactly what was wrong with the previous line of authority. When the new department is set up, it will be working on a grid of essential works, which will help to ascertain exactly what timeline the new works should take place over. That can then be considered by the Commissions and the House, and based on hard evidence, both Houses will then need to be consulted again to establish the general direction of travel.

Mr Clive Betts (Sheffield South East) (Lab): I am listening with interest to the hon. Member's comments. As he says, we have been on the Finance Committee together for many years. I have some concerns, which I do not know whether he plans to reflect on. We have had long debates and many reviews, although I have not been involved in all of those. I thought we had got some agreement, although it was controversial, that we were going to have a decant and it was going to be expensive. Maybe there were concerns about how the Sponsor Body operated, but the main thing I am concerned about is that bringing the arrangements for the organisation of this massive project in-house will not necessarily solve those difficulties. We do not have a great track record in this place of managing large capital projects efficiently and well, and those projects were nothing like as large as this one.

Sir Geoffrey Clifton-Brown: My hon. Friend, if I may call him that—I have known him so long in this place—makes a very good point. I will come to that issue towards the end of my speech, which I am working towards, something the Minister will be glad to know.

The Palace needs to be upgraded to the highest possible digital and security standards, and if there are any changes to the working of Parliament, those will need to be accommodated. While I commend the adaptations made during the covid-19 period, especially for online working and digital voting, it should not have taken such an unprecedented crisis to push us to adapt those things for the 21st century. We need to be faster and more accommodating of change to meet the challenges of the modern world.

Finally, the education services in Victoria Gardens were only ever given temporary permission. A permanent solution needs to be found, with modern digital working facilities, so that the aim of giving a parliamentary visit to every schoolchild throughout their school career can be encouraged. If taxpayers' money were no object—of course, we can never say that—there would be the potential to go much further by providing glass roofs

over some of the Palace's walkways and pathways, in order to provide extra work space. However, with my Public Accounts Committee hat on, we must always consider the taxpayers and the value-for-money aspects.

I have laid out what needs to be done. The much more important question, as the hon. Member for Sheffield South East (Mr Betts) mentioned, is how it should be done to provide the most value for money and the optimal outcome for reaching project deadlines. As I have said, the project is likely to cost in excess of tens of billions of pounds. As I know from long experience as deputy Chairman of the Public Accounts Committee, the scope for mission creep and overruns for large Government projects, such as Thameslink, Crossrail and HS2, is enormous. The only exception was the Olympics and the reason was that there was an absolute deadline for when it had to be delivered. Equally important is that it was set up with a sponsor body that had clear delivery guidelines for completing the work. That is why the Parliamentary Buildings (Restoration and Renewal) Act 2019 tried to mimic that governance structure.

Now we have a proposal to form a joint department in Parliament, there will be a joint client team, which brings me to point made by the hon. Member for Sheffield South East. That approach is fraught with difficulties. The Clerk of the Parliaments and the Clerk of the House signed off the contracts for the original Elizabeth Tower project, which was originally estimated to cost £29.9 million. That project has not even finished yet, but it is estimated that it will end up costing £86 million, which is nearly three times the original cost projection. It is unfortunate that the Clerks signing off and having legal responsibility for this project will be the same people.

I do not wish to denigrate the Clerks in any way—they are splendid people. They have huge legal and parliamentary knowledge and huge knowledge of parliamentary procedure, but they do not have the knowledge to manage a project of this size. To be fair to them, they were wise enough to create an expert panel of knowledgeable and well-qualified people, but it is unclear whether that panel will be in place throughout the project. In my view, it is imperative that it is and that the Commissions accept its advice. That would mean the decision-making process of the Clerks and the Commissions would get professional advice, in a form that is hopefully digestible and understandable.

What should happen next? The joint department should be set up as soon as possible, with the advisory panel being given statutory status, with an expectation that its advice be followed. Any department must be given the authority of Parliament. It should then widely and rapidly consult parliamentarians and staff on what is expected from the project and, within three months, produce a properly costed business case, which must be approved by Parliament. It must then move as swiftly as possible to putting the project out to tender, with strong expectations on timetables and costings. Any departure must be approved by Parliament. In any case, a quarterly update must be given to Parliament as a matter of course—not six months after the Sponsor Body has been effectively abolished—in line with the procedure Parliament has for HS2.

I am pleased that one of the recommendations in the Public Accounts Committee report issued yesterday is that the Leader of the House and the Treasury will be completely bound into the process of R&R. While of course Parliament funds the process through its debates

and votes, the Government have a major input, because however much is spent on the project has to be raised by taxation. They are crucial partners in the whole operation.

I hope I have demonstrated that, not only is this a huge and complicated project that is going to cost tens of billions of pounds and go on for tens of years, it is also critical to our democracy that we get it right so that future generations can benefit from it. If we—this generation—take the correct decisions and the pain of all the disruption, and do the project all in one go with the necessary, but minimum, decant, future generations will thank us. If we have a building project in this place for the next 30 to 70 years, I do not think they will. I do not think they will thank us if one of the Commissions' objectives is that the work should be done on a short-term basis—make do and bodge, I call it.

Whatever work we decide to do needs to be done to the highest possible standards, meet the highest environmental standards, and be expected to last for the longest possible time, so that we can leave a legacy, possibly with some improvements—certainly to disability access, hopefully to education facilities and also to our way of working, through work on creating a properly digital Parliament—so that future generations can be proud of what this generation has done to uphold the highest standards of maintenance of our wonderful Palace of Westminster.

Derek Twigg (in the Chair): I remind right hon. and hon. Members that Mr Speaker has ruled that iPads can be used in the Chamber, but not with a connected keyboard.

3.25 pm

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab): It is an absolute pleasure to serve under your chairmanship, Mr Twigg. We have long been colleagues in this place and you might say to me, "Who would have thought we'd both end up here?", but we have done.

It is an even greater pleasure to take part in a debate secured by the hon. Member for The Cotswolds (Sir Geoffrey Clifton-Brown). I could fairly describe him as a fellow traveller, but that might not help him in the 1922 Committee elections—although he can take comfort that the electorate seems to be changing quite substantially, which might be a good thing. Like my hon. Friend the Member for Sheffield South East (Mr Betts), I will call the hon. Member for The Cotswolds my hon. Friend. We have been at this for so long, have travelled over much the same ground together, and have come—as anybody who looks at this subject does—to very similar conclusions. There might be differences in nuance, but no more than that. It is also reasonable to place on record that we have served together not just on the Public Accounts Committee, but on the Finance Committee, which I have the honour and privilege of chairing for the second time in my long and exotic political career. The current leader of our party was kind enough to put me back where the previous leader found me, and has temporarily brought me back to other duties for the third time.

Sir Geoffrey Clifton-Brown: I am wondering if by calling the first ever Joint Committee with the other House this week, my right hon. Friend—as I might call him—is envisaging an even longer career as Chair of the Finance Committee.

Mr Brown: Who knows what the future holds, but I am full of fear and trepidation. My hon. Friend kindly refers to the historic meeting of the other place's Finance Committee and our Finance Committee for the very first time. The first individual report that we considered was about the overrunning costs on the Elizabeth Tower. Every commentator has said how nice it looks and how well it has been done, and they are genuinely excited. Then they read a bit about us and say, "What about the cost overruns?" We have had a comprehensive explanation, which I find credible. There is nothing improper but, as my hon. Friend says, it would have been better if the costings had been much more realistic and subjected to more detailed professional advice at the beginning, because we would not have ended up where we have ended up. The report on this issue was a model of candour and contrition, and it was satisfactory, but it was in front of both the other place's Committee and our Committee, so it was a pretty inquisitive audience.

That brings me to my next point: I believe that financial oversight is absolutely crucial in all this. I am astonished at the reluctance of officials to come to the Members' base Committee, which wants to proceed on the basis of good will. We are not there to tell officials off; we are there to try to give our views, to ask penetrating questions and to try to help them with the decision making, rather than thwart them in it. Insufficient use was made of the mechanisms available—I am understating the case. It would also be fair to say that for the big projects, such as Richmond House and the northern estate before it, consulting a lot more Members would have greatly benefited the eventual outcome. For example, the northern estate programme was to be done under the current House estimates and did not draw on R&R at all. It involved Norman Shaw North being cleared and Richmond House being used for a decant. Then, Members would be put back and the Norman Shaw South Members would get their offices done.

We have ended up with Norman Shaw South not being in the programme at all, or being in the programme, some way to the right, in an ill-defined way—I am quite happy to be corrected if I have got this wrong. It will still fall to be paid for—it will not be paid for out of R&R; it is a legitimate charge on the House budget. However, the elegance of getting a whole chunk of the work done—finished—has been lost. I question the wisdom of that.

I would also question whether, if the Members had been taken through it at the time as thoroughly as they should have been, they would ever have agreed to it. I cannot help but feel that we just slipped into it, rather than had the facts put before us. There is a very good summary in *The Observer* of the journey that we have undertaken. It is elegantly written by a journalist whom I do not know, called Rowan Moore, and it is a fine piece of work. If someone wanted a plain man's guide to the complexities of R&R, they could do a lot worse than start there.

There is an ideological divide between us. There is what I think is a minority, now, of the House, who do not really want to do this at all and would settle for giving the building a lick of paint, maybe replacing the Anaglypta, and calling it quits. Most of us—I would certainly say the majority of those who studied the questions, which are complex—would like to see us do something that is worthy of the building and what it stands for.

[*Mr Nicholas Brown*]

The decisions that we will be invited to make are crucial. I do not think that there is anything to be ashamed of in admitting that, on the structure of the two separate independent authorities, we were wrong. It is what I voted for in the original vote, and what I hoped would work. In other words, we would outline the things that needed doing and then hand the whole problem over to independent authorities. There was a thought that they would come back and talk to Members about what was being done for them and around them, or where they were to be decanted to. I still accept that the decant is an essential part of this, and that it would create more trouble than it would solve if we tried to go ahead, working piece by piece through the building.

I also agree strongly with the current Leader of the House, the right hon. Member for Sherwood (Mark Spencer), that it is correct to see what works could be done over a long summer recess. Could we, by agreement between the Government and the Opposition, alter a parliamentary year so that we had a longer recess period, where a longer run could be taken at some of the more extensive works? That has been looked at on our behalf, and my understanding is that that is not possible, but I would be open to returning to that to see if something were possible that would save money and get the work done in a more expeditious way. It may be possible to have the House meet in other buildings for specific purposes, or it may be possible to vote electronically; there are all sorts of things that might help us get the journey on its way.

Mr Betts: Some of us asked questions about that when we still had not decided on matters. We used to have a longer summer recess, when a lot of works could be done in this place, but it suddenly got shortened because some elements of the popular press criticised it as us simply going on 12 weeks' holiday. However, there is a big problem here, which needs to be looked at and could save us a lot of money. I am not saying it is an absolute solution, but we at least ought to have a look at it to see if, in the long term, it would save us money and enable the place to work better.

Mr Brown: I agree with my hon. Friend. It is also the stated view of the current Leader of the House, who, I think, makes an entirely reasonable point. He is taking, more generally, from my point of view, a much more reasonable approach to all of this, and a much more consensual approach—or at least is trying to, in the current, troubled times—to bring this together and get us to a point where we are confident in the progress we are making.

Sir Geoffrey Clifton-Brown: I am grateful to my right hon. Friend for giving way a second time—he is being very generous. Contrary to what I had understood, when the asbestos is removed, it is possible to seal individual areas. One area is sealed, the asbestos is removed, and then we move on to the next area. That is very time-consuming, whereas if we shut all of the Palace, or at least half of it, to do that work, it is much more cost-effective and takes much less time, so it might be better for us to decant for a little while, while that dangerous work is done, rather than try to do it piecemeal.

Mr Brown: My hon. Friend makes a very good point. Also, the Chamber of the House of Commons, of course, was rebuilt in the 1950s when asbestos was extensively used as a fire prevention and building material. The dangers were not as well known then, or were not as accepted as they are now. The survey work to see how much asbestos is there has not been fully undertaken yet. Some excursions have been made and, as he hints, it is not looking good. There was a large exercise in the 1990s, I think, to remove asbestos from the House of Lords. How well that was done needs to be checked. Asbestos is a killer. Mesothelioma is a terrible condition.

Sir Paul Beresford (Mole Valley) (Con): The thinking behind decanting is not just about the asbestos. There is a sewerage system that runs from one end of the building to the other. Stopping it halfway down—be it left or right—is not feasible because it would involve a sewerage system outside the building and considerable complications. Added to all the other facilities in there now, we would have the same problem.

Mr Brown: That problem goes back to the beginning of the debate about whether we could decant Chamber by Chamber, or whether it would all have to be done as one big decant because of the pooled facilities. Again, survey work is not completed yet. We have agreed the R&R estimate that should bring the survey work to completion, and I eagerly await the conclusions.

Re-routing has been thought of. The interesting thing about the article I referred to is that it had photographs of what the original conduits look like now. They have been colonised by electricity cables, which are not labelled. They have been colonised by gas and water pipes that run through the original utility that was supposed to draw in air, so that it would become hot air heated by the fires underneath, which, given the fate of the previous building, was quite a brave thing to install in Victorian times. Is it appropriate now? Probably not. A bolder solution might be to just concrete over the whole thing and put new services in. A great danger of being on a Members' scrutiny Committee is that we start finding Members' solutions to problems, and that is probably worse than calling in the experts.

We have made mistakes; we should admit it. I do not think they are quite as expensive as my hon. Friend the Member for The Cotswolds thinks, but there are things that have not been done as well or as elegantly as they could have been. I do not think we will get another chance to make a major change because we are about to embark, in perhaps two years' time, on really big expenditure, depending on the directions we choose. For certainty, that will require another decision of the House, perhaps in the next Parliament, but soon-ish in our terms, and then there is no going back. If the costs are to escalate dramatically, we need to get there first. If the time that we are decanted from this place is to be longer that we had hoped, given the starting point for this discussion—it could be a lot longer than we hope—we had better get the decision on that right and reconcile ourselves to it. I do not think there is a more rational way forward.

Sir Geoffrey Clifton-Brown: I am sorry to interrupt my right hon. Friend again, but it was in the early stages of the High Speed 2 project that the money got out of control. Once Parliament started getting quarterly reports

based on an end cost, and once there were fixed dates for completion, it was able to see whether the trajectory was right. If we do that from the beginning with R and R, so that Parliament has control of the project, it has a much greater chance of being on time and on budget.

Mr Brown: I accept that point, and I am pleased that the hon. Gentleman does, too. We should keep a sharp eye and a controlling grip on the money—not on what we spent last year, which tends to be what we get told, but on what we will spend in two or five years' time—and on where the programme takes us. There is a chance to—dare I say it?—reduce expenditure in other areas, and perhaps spread the cost over a longer period. Making absolutely certain that we have a grip on the project is key. That has to come out of the reorganisation that we will discuss next week and presumably bring in soon after.

This must be one of those rare occasions when we welcome the direct involvement of the Treasury as an adviser and overseer; that is the new proposal. This is almost an act of desperation, but I think it is the right thing to do. It is forced on us by the circumstances so ably described in the article in *The Observer*. It is important that we face up to them today.

3.41 pm

Sir Paul Beresford (Mole Valley) (Con): I am delighted that you are guiding us through this, Mr Twigg. I congratulate my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) on securing this debate. It seems to have had a really good first effect, which is that a motion on the subject will be before the House on Tuesday. I think he can take credit for that, even if it is not quite justified.

As I think everybody in the Chamber would agree, this project must move forward. It is sad that there are not very many of us here. Two colleagues are here from compulsion, and three or four of us are here because we are interested, but out of 650, that is not a very good sign.

We have been looking at this issue for quite some time. The first reference that I could find to the House of Commons looking at it was from 1904, and we have done nothing much since. The need for the works has been set out by the professional here, my hon. Friend the Member for The Cotswolds. I was intrigued when the right hon. Member for Newcastle upon Tyne East (Mr Brown) talked about concreting over. Of course, when we walk into the subterranean areas of this building, we see that we cannot concrete “over” everything, because we are talking about all along the floor, all across the walls and all across the ceiling. I am a little taller than the right hon. Gentleman, and I find it quite difficult to walk down there. If everything were cleaned out, it would be a straight walk, and we would not have to hunch down. That is an indication of the amount of stuff there. As he said, we are talking about sewage, water, electricity and fibre. Nobody knows whether some of the electric wires are working, and whether there is any power in them. The insulation is coming off. There are fire detectors from one end to the other, and somebody walks up and down checking it 24/7, because we do have fires.

The basic structure of the building seems to be in reasonable order, as far as I can tell, although we have learned a few lessons from the Elizabeth Tower, where,

when we lifted a brick, we found a frog underneath it; I guess we will find that. I hope that we can explain to the public that if we come up with an assessment of costs, it will undoubtedly be expanded upon, because we do not know what is underneath, or some of the problems that we will find.

The services really need to be sorted. My belief, having walked up and down the basement and above it, is that they have to be taken right out from end to end—a complete removal and replacement. At the end of January 2019, we debated the state of the infrastructure, and we agreed that the work should be done, and that it should get moving, but nothing has really happened. I am delighted that we managed to get work on the Elizabeth Tower moving; mostly that has been done because it was separated out and totally independent. The task is absolutely enormous. However, one does not need to be an expert to realise, even before somebody gets down to the basement and has a look at it, just how enormous the task is. I have taken one or two members of the press down there who were scathing about the costs until they went. Even the most scathing of them, from *The Telegraph*, came back saying, “You’re right. It’s got to happen. It’s got to be done.” If we do not do it, we are in for real problems.

There are some little things that my hon. Friend the Member for The Cotswolds, who is an expert in the field, did not mention. We have little problems, such as 86 vertical chimneys running right along one passageway. That is where the heated air was supposed to go up. If there is a fire in the basement, it will go through the building as if it was made of timber. The trouble is that those chimneys now carry a mass of the services that run horizontally and are then directed up. There was mention made of the Chamber being built in the '50s; I was not around and did not see it, but I understand there is an awful lot of stuff behind the panels. The panels of the Chamber will have to be pulled off, and everything will have to be cleared from behind them. Replacements will have to be put in if necessary, and then the panelling needs to be put back. That makes it rather difficult to think we could use part of it alongside that work.

There are gas pipes, air conduits, steam pipes, telephones, and communication fibres, and then there is that ghastly, huge, overloaded sewage system. The infrastructure serves the whole building from end to end, and vertically through the chimneys, and there is a duplication of it in the roof. I do not know if anyone in the Chamber has been in the roof and seen it, but it is a smaller edition of the horrendous mess in the basement.

The dangers of asbestos are well known and talked about. When I went down to the basement, I asked the engineer, “Where is all the asbestos?” He replied, “Well, they didn’t know about asbestos when they put it in, and they went in with buckets of it and big brushes and slobbered it up and down over the walls.” In other words, it is absolutely everywhere.

Sir Geoffrey Clifton-Brown: The situation is actually more serious than my hon. Friend suggests. Each one of those ventilation chimneys is surrounded by asbestos. Virtually every Committee Room in this House has asbestos in it. The experts need to tell us whether it needs to be removed.

Sir Paul Beresford: The decision to do that would be so much easier if we were not occupying the building. Every time I cough, I think that a certain Committee Room has caused it. The thing that staggered me was the sewage system. It runs from end to end of the building, and it tends to run down, of course, toward the House of Commons. At that end, it has two very large steel bowls. They were installed in 1888. When we think of the volume of usage, and how it has gone up over time, I am amazed that they still work. I understand why it leaks, I understand why there is panic when it leaks, and why we have to seal it up and stop it. There is an added problem, in that one of the tanks is listed. If we are going to do anything with it, we will probably have to try to get it out; knowing English Heritage as I used to, it will probably want us to set up the listed tank as a symbol. That would be a complete waste of time and money.

For safety and efficiency, we have to have a full decant. We have debated that before. In the last main debate, we definitely came down on that side. There were one or two pseudo-engineers, who I would not give a Meccano kit to, who were saying we could do it bit by bit. However, logic says that we cannot. What complicates matters even more is that if we do decant and move, we need to cover the security requirements. They are now worse than when we first started them. We have to be within the enhanced security envelope; otherwise, we might find that we are severely damaged.

As I have said before, this is an enormous and extremely complex task. I am looking forward to the revelations we will get on Tuesday, and to learning how this is to be done. It has been more than 100 years since 1904. I am nervous that there will be yet another delay, and that 100 years from now, we will still have not done the job.

3.50 pm

Robin Millar (Aberconwy) (Con): It is a pleasure to serve under your chairmanship, Mr Twigg. I congratulate my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) on securing this important debate; he and I have spoken about this issue outside the Chamber, and he knows that we share concerns about it. I will start by paying tribute to those involved in what I have heard already this afternoon, because many people have already worked on this project. I am a relatively new member of the Sponsor Body—an interest that I am happy to declare. In the few months I have been on the Sponsor Body, it has already become clear that a number of people attached to this project and who have taken an interest in it have both developed great knowledge and expertise about it, and demonstrated a clear passion and care for its effective delivery, as reflected in this debate.

For the purpose of declaring interests and making clear the relevance of my comments, I note that I trained in civil and structural engineering at university. During my first few years working in that field, a lot of my work was on older buildings and their conservation and restoration—in fact, on one occasion, I had the great privilege of crawling through the ceiling space over the Commons Chamber, little knowing that I would come back years later to sit on the green Benches. Having said that, I do not presume to second-guess the real experts who are working on the projects: the engineers, or the procurement, management and administrative

experts who will help with decisions about the formation of the governance and other bodies that will be set up. As I have said, I joined late in the process. That should not be interpreted as a way of distancing myself from previous decisions, which I recognise; it is more to explain my focus on what lies ahead, and on the future of the restoration and renewal project.

In the time I have, I offer three observations, drawn from the time I have spent on the Sponsor Body and the discussions I have heard. My hon. Friend the Member for The Cotswolds mentioned the importance of not allowing specification creep—a problem that plagues so many projects—whereby what was intended is embellished, enhanced and even replaced, very often with the best of intentions. At its heart, it should be possible to boil every project down to three things: how much it costs, how long it will take, and what the client will get for their money and time. If a project cannot be boiled down to that simple description, I would suggest that it is not properly understood. Those three parameters define the scope of the project.

The scope of this project was set in law, which presents the danger of that scope becoming fixed and immovable. I suspect that may be what happened in this case. I have heard the criticisms made of the Sponsor Body, but there is another factor, which is that the Sponsor Body was dealt a fixed hand of cards. I have been impressed with the knowledge and care of the people I have met, and suggest that another way of looking at the Sponsor Body's role is that it was asked to deliver a set of proposals against fixed legislation, and has done its best to do so. I would not want to cast doubt on that, but the inflexibility that was created through legislation is at the heart of the problem. I will return to that at the end of my speech.

In any construction project, there has to be a dynamic relationship between the client and the contractor—the person who wants it and the person who is building it. The difficulty with legislation is that unless the client is absolutely clear from the start about exactly what they want, they are stuck with it once the gun has been fired, once the document has been signed and the law has been passed. While that works for what we might call a black box project—the client commissions it, walks away from it, and returns in time to cut a ribbon, pull a rabbit out of a hat or what have you—in the case of a project like restoration and renewal, where a key part of the scope has been the ongoing function of the site, that is not necessarily the case. That is where some of the confusion and disappointment might have crept in.

I stress that point on continuity of function. As a new MP who has spent just two and a half years here—and for some of that, I decamped to my constituency because of the pandemic—I have seen that this place really deserves the reputation of being the mother of Parliaments. I therefore take very seriously the need for it to continue to function in that way. It should not tip over into being just a relic or memory of what it once was, preserved for the past and for future generations in a historical sense, rather than remaining a living and dynamic mother of Parliaments around the world.

My second point is on procurement. Every commission has a buy-or-build stage. A decision is made about whether the solution will be bought or procured, or whether it will be developed in-house. That is true of this project too. With a project of this scale, complexity

and importance, it is important to recognise the knowledge that develops along the way. By way of illustration, we can look at other Government procurement exercises. Perhaps I should not draw this comparison, but one of the difficulties that the Dreadnought programme has run into—it will replace the ageing Vanguard submarine fleet—is that the level of knowledge developed with the contractor responsible is so great that there is no alternative; they cannot be told, “It is taking too long and costing too much; we will switch to another contractor.” There is a real danger of a different kind with this project, in that the knowledge, understanding and professional expertise developed needs to be carefully curated, and we need to think carefully about where that resides.

I am not scared by the prospect of making a buy-or-build decision and deciding to bring things in house, and I am not overly worried by others’ observations that the Clerks may not have the necessary expertise, because we are talking about a commitment to a way of working, not an expectation of instant expertise. We need to make a strategic decision about where the knowledge that will come through working on the delivery of the project over time will accrete. Does it rest here, or does it go out into the marketplace? I have a very conservative question about where that fits, and how well it fits in the private sector.

I draw the analogy with what happens in France, especially in work on large, old buildings. There, there is recognition that such projects are ongoing and will take decades, if not a lifetime. Indeed, the old cathedrals very often took centuries to build—longer than the life of the architects who conceived them. Generations of builders worked on them. We need to adjust our timeframe, and our mindset to thinking in that way. The advantage is that a master craftsman commissioned to work on a building like this would have plenty of time to bring up the next generation—or generations—of apprentices, who would also work and develop expertise. They could then be deployed to other parts of the UK. The question of knowledge and where it is held becomes one of how that knowledge is best used, and how the restoration, refurbishment and renewal of this site is used to leverage improvement around the rest of the UK. Enhancing the number of workers skilled in this kind of work is a key way of doing that.

I will quickly make one point about innovation. A project of this scale, complexity, timeframe and cost should demand innovation from us. In looking at this place, we think it is so great, expensive and time consuming that we need to go with what is familiar and certain. I argue the opposite. Where is the innovation in governance structures? Time does not allow, but I could point to construction projects such as T5 at Heathrow, where an innovative relationship between client and contractor ensured that risks were managed better. I can see an opportunity for that here; in fact, the official documentation sets out that a third priority of the new approach is

“establishing a governance structure that is receptive to Parliament’s requirements as a working legislature”,

which links to my first point on concerns about scope.

I could say more, but I will conclude. I share the concerns about cost and timescale, but in defence of the Sponsor Body, it has been working within the constraints placed on it. I welcome this debate and the transparency of understanding that it offers. I look forward to the new arrangements, because this is a Parliament of which

this country can be proud and a project of which MPs can be proud. Being involved on behalf of colleagues is a privilege of which I am proud, too.

4 pm

John Nicolson (Ochil and South Perthshire) (SNP): I thank the hon. Member for The Cotswolds (Sir Geoffrey Clifton-Brown) for securing the debate and hon. Members who have contributed.

Great ideas, constructive debates and empathetic policies need a home. The space in which ideas, debates and policies flourish really matters. In the wake of the bombing of the House of Commons Chamber during the second world war, Winston Churchill said:

“We shape our buildings and afterwards our buildings shape us.”—[*Official Report*, 28 October 1943; Vol. 393, c. 403.]

The Palace of Westminster is a glorious building. It is a work of art filled with works of art, a UNESCO world heritage site that is recognised the world over, the home of scoundrels and the odd hero for 1,000 years.

We are meeting here in the shadow of Westminster Hall, which was built in the 11th century by William II, son of William the Conqueror. He conceived the project to impress his new subjects: it was the largest hall in England, and probably all of Europe, when it was built. It was here that Charles I and Sir Thomas More were tried. It was here that the great Scottish patriot William Wallace faced a kangaroo court before being murdered by the English state, all because he wanted Scottish independence; Edward I had said, “Now is not the time,” and refused a section 30 order. The hall has seen monarchs lie in state and witnessed great state occasions such as Nelson Mandela’s address.

Fires have been a scourge throughout history, but from the ashes of the 1834 blaze rose the glories of Charles Barry and Augustus Pugin’s Gothic revival masterpiece. Of course we should repair and restore it—it has been crumbling around us, and as the scaffolding comes down we can see that some ancient skills are still flourishing. The hon. Member for Aberconwy (Robin Millar) made an excellent point about skills being passed on from generation to generation in a single building. The honey stonework repairs are beautifully done, and the iconic tower housing Big Ben has been restored with the original Victorian clock face’s colours returned and the finest German craftsmanship on display, with 1,300 German-made glass panes glittering in the sun as we speak.

There has always been a debate in architectural refurbishment circles between restoration and conservation. Do we return buildings to their original form with exact replicas, or do we keep the best of what has gone before but allow buildings a useful present and future-proof them for coming generations? Our constituents have rightly questioned the cost of the works at the Palace of Westminster, especially in the midst of a cost of living crisis. We have to justify what we are doing and explain our decisions, so it is important to communicate this stuff to members of the public. How can we serve our constituents to the best of our ability if, even after so much taxpayer money has been poured into this place, it remains so ill-suited to the work that we were sent here to do?

I think we owe it to history to repair this magnificent building, and good restoration does not come cheap, but if we consent to the costs, we owe it to the taxpayer

[John Nicolson]

to make the building an efficient place to work in. We should respect history, but not wallow in it. Restoration should not mean stagnation.

Much about how we go about our business here is absurd. We have more than a dozen bars, but not a single crèche anywhere on the estate. We have sword hooks in the cloakroom, but no wheelchair access to much of the Chamber. As a teenager, I remember reading with horror that a Member of Parliament, Alfred Broughton, offered to be stretchered on to the estate from his deathbed to have his vote registered on a motion of confidence to save the Callaghan Government. It was indefensibly cruel.

We took the opportunity to address our absurd voting system during the pandemic, and considerable sums of money were spent on devising and then perfecting an electronic voting system. It worked yet, incomprehensibly, the then Leader of the House, already somewhat of a caricature on these matters, decided to abandon the system, resulting in Members on crutches queuing up past midnight to cast their votes. Small wonder that Westminster has been such a covid plague hotbed.

Westminster's workings are ludicrous in so many ways—we know it and our constituents know it—and we should not defend the absurdities but take this opportunity to reform them. After all, this is the perfect time. The restoration of the building will preserve its architectural glories, but let us also make it a contemporary place of work with electronic voting, disability access, full-time childcare facilities and all the other basic accoutrements of a modern democracy, including the continuation of remote working where necessary. If I might say so, we saw a perfect illustration of some of the strange, peculiar and archaic practices earlier when we discovered that we can use iPads, but only if we tap the screen and not the silent keypads—I mean, really.

Members on both sides of the House tend to agree on much of this, so we should be more assertive. Electronic voting was abandoned against our wishes by a languid Leader of the House who preferred supine siestas on the Green Benches to rolling up his sleeves to ensure that the restoration and renewal of the Palace is fit for a modern Parliament.

I have good news and bad news for the former Leader of the House and the other parliamentary luddites who resist change. Very soon there will be more room to recline. Churchill may have ordered that the Chamber be rebuilt deliberately too small in scale for the number of Members, leaving some literally seatless at great parliamentary occasions, but soon there will be 59 Scottish seats available for Members to stretch out in comfort.

For the three centuries of our parliamentary Union, Scots have walked these halls, bellowed in the Chambers and occasionally, just occasionally, changed the course of history, when we were allowed to, of course. In what will, I hope, be a velvet divorce, we have made it clear that we will assume 10% of the debt and 10% of the assets, but it would only be fair to offer a deal: Members of the House can have all of Westminster, even though we have paid for so much of it, but how about we get Scotland Yard in return? Once the Scottish embassy, accommodating monarchs and diplomatic representatives from the Kingdom of Scotland, it is about time we got it back.

I look forward to joining our architecturally outstanding but accessible, family friendly, hybrid-working Parliament in Edinburgh, but in the short time we have left here I will do all I can to push this Parliament to do better, to support the restoration and to modernise. It is in England's long-term interest, after all, and what are good neighbours for?

4.8 pm

Thangam Debonnaire (Bristol West) (Lab): It is a pleasure to serve under your chairmanship, Mr Twigg.

I congratulate the hon. Member for The Cotswolds (Sir Geoffrey Clifton-Brown) on securing this debate and on giving us the time to air the arguments before we come to a possible parliamentary vote next week. I appreciate it a great deal, and I appreciate the consensual way in which most of this debate has been conducted. It has been heartening to hear Members' understanding of the warp and weft of this debate, and the warp and weft of the wiring and sewerage.

I am particularly impressed with the description of the ventilation shafts provided by the hon. Member for Mole Valley (Sir Paul Beresford). I am obsessed with the shafts, partly because they provide a good illustration of what happens when hon. and right hon. Members mistake themselves for civil engineers. I understand that some of us are, but most of us are not. If we come up with too many wizard wheezes, we run the risk of building into the fabric of the building, which we all love, something that future generations will come to rue and regret. I heartily endorse what pretty much everyone has said, that whatever we do after next Tuesday's parliamentary vote, it has to involve both scrutiny of the process and real consultation and engagement with Members, the public and, importantly, the thousands of people who work here. Scrutiny and engagement are the two pillars to which I want to draw everyone's attention.

I completely agree with the hon. Member for The Cotswolds that there are concerns, and rightly so, about value for money, and I commend the Public Accounts Committee's excellent work in that regard. It has scrutinised, line by line, in a way that is really impressive and we will need it to continue to do that work.

Similarly, my right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown) referred to financial oversight and accountability. He also rightly raised the role of the Finance Committee, on which he plays such an excellent role as Chair. As a former Whip, I was obviously distraught to lose him as our Chief Whip, but I am glad that he is now in charge of the finances of this estate. It comforts me to know that his eagle eye will be on every single line, as will be that of the hon. Member for The Cotswolds.

My hon. Friend the Member for Sheffield South East (Mr Betts), who is no longer in his place, raised concerns, which I think are shared by everybody, about what would happen if we brought this process back in-house. Are there problems of oversight, political meddling and ventilation shafts that turn out to be fire risks? It is important that we hang on to at least some of the consensus that we have achieved here today. We all think that the building is worth preserving. We all have our own ideas about how we would do it if we were in charge, and we all know that we are going to have to compromise.

I think pretty much everybody here also knows that we will have to move out. For too long, this debate has been very binary: it is either a full decant or continued presence. That has not been helpful. I share the view of my right hon. Friend the Member for Newcastle upon Tyne East that the current Leader of the House has done a great deal to create more consensus, and I have watched his view shift from being, “I’m not sure we need to move out,” to, “Actually, we will probably need to and it will probably be for about eight years or so”. Personally, I think it will be for a bit longer than that, considering what the experts are telling us, but the Leader of the House, who is currently in the Cabinet of course, has done a great deal to try to bring people and the Commissions with him.

The hon. Member for The Cotswolds criticised the Commissions over transparency. His points were well made and they have been heard by this commissioner. When I suddenly found myself on the Commission, by virtue of being the shadow Leader of the House, I was somewhat surprised by the fact that commissioners are not provided with a manual explaining what the Commission is, what it is for and how it is accountable to Members. There is a lot that we need to do, and I will return to that in a different debate on another day.

We all agree that the honour of working in a UNESCO world heritage site comes with the duty of being a responsible custodian, and we are that custodian. It is on us, this generation of politicians, to make sure that we carry out the necessary preservation. As the hon. Member for Ochil and South Perthshire (John Nicolson) has said, we must do so without making the preservation the enemy of good working practices. I have to correct him slightly, though: it may have been a terminology issue, but one bar has certainly been converted into an excellent nursery. If he is saying that the crèche should be open for 24 hours a day, a whole load of questions would need to be answered. I have heard many colleagues talk about this building being very family friendly, but my initial impression was that it is not. Many Members have told me that they feel that their children are very welcome in this building, but the hon. Member and others raised an important point about accessibility.

We agree that work is pressing. I know that all Members of the House want to see improved fire, mechanical and electrical systems. As they have also said, however, just having a monumental and iconic building does not mean that we can accept lack of safety or asbestos. We are going to have to make sure that the experts can do their job. As the hon. Member for The Cotswolds said, they will need to be able to access the asbestos in order to know what can be done about it and, frankly, to establish whether we are surrounded by it.

As the hon. Member for Aberconwy (Robin Millar) has said, there are issues regarding how we learn about the best practice in commissioning and ensure that we deal in advance with, or at least have prior knowledge of, the tensions involved with such an iconic building. Once we have a contractor, a set of contractors or a supply chain, it will be very difficult to unglue that relationship, because they will need to get to know the minutiae of the building, its quirks and idiosyncrasies, but also our quirks and idiosyncrasies, and it would be strange if we did not admit that we have them.

It is important to say that this is not the same as the Olympics. I love the fact that we decided that the sponsor body and delivery authority for the Olympics

would be separate. That was a good model. I was not here at the time, but I applaud that decision. Voting for it was the right thing to do. This is different, however, because it is about a sponsor body for the works on our own House. This is our place of work, but it is not just ours; it is also the people’s place of democracy. I want everyone to feel that they have a stake in Parliament. I want them to feel the same way they feel when they come out of Westminster tube station and look up at the Elizabeth Tower. That is a wonderful experience, and I want everybody to feel the same way about the whole of this lovely estate. Instead, at the moment there is an awful lot of scaffolding and, in my case, a certain amount of trepidation because I know too much about why the scaffolding is there.

I am afraid to say that there has been political interference. Ironically, the Sponsor Body was set up to remove political interference and yet political interference, or certainly obstruction, there has been. Certain Government Members have continued to ask unreasonable things of the Sponsor Body. I also note, as my right hon. Friend the Member for Newcastle upon Tyne East and others have said, that the Sponsor Body has not always engaged as well as it could have done, for all sorts of reasons.

There is asbestos, sewage, wires, plumbing that nobody knows the function of, flood risk and regular fires. It is testament to the hard-working members of House staff and contractors—I pay tribute to them—that, thankfully, we have not yet witnessed a catastrophic failure of the building, as has happened to other buildings around the world, such as Notre Dame and other Parliaments. But, at some stage, that will not be enough. At some stage, a piece of masonry will fall on somebody’s head, one of the fires will become catastrophic or the asbestos will cause health problems that many of us will not know about in our lifetimes, but others in the future will suffer.

We will have to move out. We have to accept that. It is the right thing to do, for the patriotic reasons of celebrating our democracy and our history, whatever different interpretations we may have of it. As the hon. Members for Mole Valley and for Aberconwy said, this is also an opportunity for apprenticeships in all of our constituencies, and for every single one of us to be able to point to a bit of the building and say, “That bit of rock got quarried from my constituency.”

We have no choice. Both Houses are going to have to move out at some point, but we are going to be the generation that says to the next generation and the one beyond, and to the public, “We did this because we love democracy.” It is not just because we love the building, although we do, but because we love democracy. We know it is worth celebrating. We know that this is not just a tourist site, although it is an important tourist site. Therefore, if there is a vote on Tuesday—I do not yet know what will happen—I will be support the motion. Will the Minister assure us that the Government will do everything necessary to ensure that support will be provided to enable maximum financial accountability and that there will be minimal unnecessary political interference?

Derek Twigg (in the Chair): I remind the Minister to leave a minute or two at the end for Sir Geoffrey Clifton-Brown to wind up.

4.18 pm

The Comptroller of Her Majesty's Household (Mr Marcus Jones): It is a pleasure to serve under your chairmanship, Mr Twigg. At the start of today, I did not anticipate being in this Chamber summing up for the Government, but over my 12 years in this place, I have accepted that we have to expect the unexpected.

I congratulate my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) on securing this debate. All Members have made a valuable contribution to it and demonstrated significant knowledge of the issues. There has, in many ways, been a spirit of consensus. That is always helpful, particularly to someone who is called to respond to a debate after not having done so for many years.

The restoration and renewal programme is on all our minds, for the many reasons set out by my hon. Friend the Member for the Cotswolds and others. I share hon. Members' view of the important and urgent need to get on with the work of repairing this magnificent but tired building—a building that is, as has been said today, a UNESCO world heritage site of which we can be extremely proud.

I also share the view of Members that the estimated cost of £13 billion simply cannot be justified in the current economic context. A gap has emerged between what is realistic, practical, and can be justified to taxpayers on the one hand, and what is being proposed by the Sponsor Body on the other. That is why the House of Lords Commission and House of Commons Commission have unanimously proposed a way forward, and the House will be asked to approve a motion next week, as right hon. and hon. Members know, endorsing the Commissions' joint report, which proposes a new mandate for the works and a new governance structure to support them. Let me emphasise that under the proposals, the delivery authority's role remains unchanged; that valuable expertise and experience will remain in place. The senior leadership of the delivery authority will continue and, following recent discussions, I am confident and positive about its ability to work within the new governance structure.

Some Members in the debate, particularly my hon. Friend the Member for The Cotswolds, have gone into detail on the question of decant, which is important to us all. I am sure Members will appreciate that decisions around decant will need to be taken in due course. Members will have the opportunity to express their views, but at this stage no decisions on decant or cost are required of the House. The intrusive surveys will offer us a more detailed understanding of the condition of the House. As my hon. Friend said, they might not give us the full picture, but they will give us a far better picture. Following that, there will be an opportunity for the House to consider all options and costs fully. We can then, at the right time, take the decision, informed by far more analysis and information.

Next week, the House will be asked to endorse a revised governance structure that aims to provide greater flexibility and closer Member engagement, the ambition being for works to start sooner. The House of Commons Commission has already agreed a set of initial priorities, including fire safety and protection, on which we have already made substantial progress through the installation of fire suppression systems in the basement, and asbestos management. We all know the dangers of asbestos, an

issue raised widely by Members today. Other priorities include the replacement of mechanical, electrical, drainage, plumbing, data and communications systems, as well as conservation of the building fabric and stonework. Having heard Members discuss their experiences of the building, I think we can all agree that those are the essential priorities.

My hon. Friend the Member for The Cotswolds raised concerns about bringing the work back in house, and about expert knowledge. The R and R programme will have its own bespoke governance structure, as I am sure he knows, which is the right approach for a programme of such magnitude and technicality. It will incorporate external expertise on the programme board. The technical knowledge of the Sponsor Body will be used by the client team, and the delivery authority's deep expertise, experience and understanding of the requirements of the Palace will remain. I reassure him that that expertise will be there for the duration of the project.

The right hon. Member for Newcastle upon Tyne East (Mr Brown) mentioned cost overruns and accountability, which are extremely important issues. I am sure he is aware that the Parliamentary Buildings (Restoration and Renewal) Act 2019 allows Parliament to scrutinise and make decisions about the programme and budget, and I am hopeful that the new governance structure will allow deeper consultation and collaboration with Parliament. I urge all those responsible for the programme to consider carefully how decision making can be transparent and accountable to Parliament. The right hon. Gentleman also made a very good point about how we use our recess time. If the House decided that it wanted to go down the route of being more flexible with that, I know that it is a conversation that the Leader of the House is willing to have.

My hon. Friend the Member for Mole Valley (Sir Paul Beresford) said that if work is brought in house, it may be just another excuse to delay the vital work. I reassure him that the revisions to the governance structure should allow us to bring forward the dates for starting the restoration works that we all want. My hon. Friend the Member for Aberconwy (Robin Millar) was correct about specification creep, and I was impressed by his knowledge and expertise. We cannot allow things to run away with themselves and give this project a blank cheque; that would not be the responsible way to spend taxpayers' money. He also made an excellent point about the skills required. We all know that skills are at a premium in lots of industries, especially those of skilled craftsmen, whose skills have been developed over generations. We have a good opportunity to develop new skills and apprenticeships for younger people, so that those skills can be used not just here, but across the country, to make sure that our historical buildings are fit for future generations to enjoy.

I heard what the hon. Member for Ochil and South Perthshire (John Nicolson) said. In many ways, I agree with him. I did not agree with the cut of his jib on some of his ideas about separating Scotland from the rest of the United Kingdom, but that is not a new thing on which we disagree. I bring to his attention that there is already a crèche and nursery in Parliament, which replaced a bar here, but I accept entirely what he and other Members said about disabled access facilities, which are crucial. At the moment, our disabled access facilities are completely inadequate.

I was grateful to hear the constructive comments of the hon. Member for Bristol West (Thangam Debonnaire). It is good that there is a degree of consensus, and it was great to hear that she will support the motion next week, so that we can take this project forward, get a start date and, to refer back to my hon. Friend the Member for Mole Valley, see action and delivery.

I thank all right hon. and hon. Members for the opportunity to participate in the debate. It has demonstrated a wealth of knowledge and a depth of affection for this historic building. Once again, I thank my hon. Friend the Member for The Cotswolds for securing the debate, which has been extremely important for airing our views in advance of the vote next week.

4.27 pm

Sir Geoffrey Clifton-Brown: Mr Twigg, may I thank you again for the professional way you have chaired the debate? I also thank my hon. Friend the Member for Nuneaton (Mr Jones). As he said, when he got up this morning, he had no idea that he would be responding to this debate. He has gained a great deal of knowledge in a very short time.

I thank all colleagues for participating in what I think has been a very consensual debate. It is almost universally agreed that we have to get on and do something. We may disagree on the emphasis here and there, but we have not disagreed about the need to do major work to preserve this excellent building for the next generations.

I will support my hon. Friend the Member for Nuneaton in the vote next week, although I have thought very carefully about it. Let us make a vow that we will not be here in three years' time. I do not want to still be talking about this issue in three years' time, should my constituents re-elect me. Let us hope that by then, we have a proper costed plan, with a timetable, and have actually started work.

Question put and agreed to.

Resolved,

That this House has considered the Restoration and Renewal Programme in the House of Commons.

4.29 pm

Sitting adjourned.

Written Statements

Thursday 7 July 2022

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Energy Infrastructure Planning Projects

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): This Statement concerns an application for development consent made under the Planning Act 2008 by NNB Generation Company (SZC) Limited for the construction and operation of a nuclear power station near Leiston in Suffolk.

Under section 107(1) of the Planning Act 2008, the Secretary of State must make a decision on an application within three months of the receipt of the examining authority's report unless exercising the power under section 107(3) of the Act to set a new deadline. Where a new deadline is set, the Secretary of State must make a statement to Parliament to announce it. The current statutory deadline for the decision on the Sizewell C nuclear power station application is 8 July 2022.

I have decided to set a new deadline of no later than 20 July 2022 for deciding this application. This is to ensure there is sufficient time to allow the Secretary of State to consider the proposal.

The decision to set the new deadline for this application is without prejudice to the decision on whether to grant or refuse development consent.

[HCWS195]

Offshore Transmission Network: Holistic Network Design and Pathfinder Projects

The Minister for Energy, Clean Growth and Climate Change (Greg Hands): Today marks a significant milestone for the offshore transmission network review and the British energy security strategy, with the publication of the first major deliverable—the holistic network design, developed by National Grid Electricity System Operator. The full holistic network design and supporting documents and maps can be found at: <https://www.nationalgrideso.com/future-energy/the-pathway-2030-holistic-network-design>.

The UK Government launched the OTNR in 2020 to improve the delivery of transmission connections for offshore wind. Considering the increasingly ambitious targets for offshore wind deployment, the current approach of delivering individual links for each wind farm is no longer fit for purpose and will not deliver the best outcomes for consumers, the environment or local communities.

More recently, the British energy security strategy set out bold plans to scale up and accelerate affordable, clean and secure energy made in Britain, for Britain, so we can enjoy greater energy self-sufficiency with cheaper bills. This included an ambition for 50GW of offshore wind by 2030.

Holistic network design

Developing the GB network in a timely way is vital. Without it we will waste a significant volume of cheap, green electricity. This will require more network infrastructure than today, both onshore and offshore, but through an upfront, strategic approach to network planning we will ensure that new network infrastructure is minimised, and where it cannot be avoided, it is brought forward in the most appropriate place.

The first step to this new innovative approach is the holistic network design, which has been published on 7 July by National Grid ESO. The HND represents a significant shift in how network infrastructure is planned. It is a first of a kind strategic network design for the upgraded and new onshore and offshore network infrastructure needed to connect 18 offshore wind farms. This will provide the network infrastructure needed to meet our ambition of delivering 50GW of offshore wind by 2030.

The holistic network design, for the first time balances economic factors with consideration of environmental and community impacts. It sets out the need for this infrastructure, not a detailed project plan. No decisions have yet been taken on the route for the network, or how best to do this. All projects that come forward as a result of the HND will be subject to the relevant democratic planning processes. These will ensure local stakeholders get their say on developments and impacts are mitigated as far as possible.

Pathfinder projects

Alongside improving strategic network planning for 2030 and beyond, we are also facilitating innovation for well-advanced projects connecting ahead of 2030. Today, four initial pathfinder projects are being announced—in Norfolk, Aberdeen and South Yorkshire. These projects have voluntarily opted in to utilise changes made under the OTNR to increase network co-ordination and maximise the benefits for consumers, communities, and the environment. NGENSO will continue working with developers to progress these projects.

Five projects off the coast of East Anglia have today confirmed their commitment to exploring co-ordinated network designs, with a view to identifying future pathfinder projects. Further information on these announcements can be found at: <https://www.gov.uk/government/groups/offshore-transmission-network-review>.

[HCWS190]

CABINET OFFICE

Public Sector Fraud Authority

The Minister for Brexit Opportunities and Government Efficiency (Mr Jacob Rees-Mogg): The Government have announced in the spring statement that they will create a Public Sector Fraud Authority (PSFA) to fight public sector fraud.

The PSFA will focus on performance and outcomes, building expert-led services to support Government Departments and public bodies to combat fraud. It will bring increased scrutiny across the system.

The Government had planned for the PSFA to be launched in July 2022, with a statement to the House. The planned statement will be made, but at a later date.

The PSFA will be part of wider spending by the government of over £750 million to combat fraud. Once launched, it will replace the existing centre of the counter fraud function.

[HCWS192]

DIGITAL, CULTURE, MEDIA AND SPORT

Online Safety Bill: Update for Report Stage

The Secretary of State for Digital, Culture, Media and Sport (Ms Nadine Dorries): Today the Government are committing to a series of changes to strengthen the Online Safety Bill further, and deliver our manifesto commitment of making the UK the safest place in the world to be online. This ground-breaking legislation will make technology companies accountable to an independent regulator to keep their users safe, while enshrining safeguards for freedom of expression online.

The Government have tabled amendments to make a series of changes to the Bill.

This includes:

Temporary “must carry” requirements for platforms to carry recognised news publisher content until an appeal on removal or moderation has taken place.

Changes to the illegal safety duties, to include the risk that a service is used for the commission or facilitation of an offence, better to address concerns about cross-platform harms and breadcrumbing.

Providing further powers to enable Ofcom to require companies to take additional steps to tackle child sexual exploitation and abuse online.

Strengthening the harmful and false communications offences, by including a partial exemption for holders of certain licences to ensure licence holders are not able to undermine the offence or avoid prosecution for harmful behaviour.

Changes to make clearer that category one service providers can decide to allow harmful content on their service if they choose to.

In addition, many people are rightly concerned about the threat that state-sponsored disinformation poses to UK society and democracy. The Government have tabled an amendment that builds a bridge between the National Security Bill and the Online Safety Bill. This amendment to the National Security Bill will designate the offence of foreign interference as a priority offence in schedule 7 to the Online Safety Bill. This will capture the kind of state-sponsored disinformation that is of most concern: covert attempts by foreign state actors to manipulate our information environment in order to interfere in UK society and undermine our democratic, political and legal processes.

Following careful consideration and consultation with stakeholders and parliamentarians, the Government commits to implementing the following changes, bringing forward amendments in the Lords where necessary:

Small but high-risk services:

Emerging risky services list

The tech sector is fast-moving and companies can rapidly expand. The Government recognise concerns that this pace of change will make it more challenging for Ofcom to keep the register of high-risk, high-reach—category 1—services up to date. To address this, the Government will introduce a new duty on Ofcom to identify and publish a list of companies that are close to

the category 1 thresholds. This will ensure that Ofcom proactively identifies emerging risky companies, and is ready to assess and add these companies to the category 1 register without delay.

This new requirement on Ofcom will be combined with Ofcom’s existing duties continually to assess regulated services and to add them to the register of categories if they meet the relevant threshold conditions. This will ensure the regime remains agile and able to adapt to emerging threats, as well as ensuring Ofcom can develop a detailed understanding of new risks.

Deferred power to apply the adult safety duties to small but high-risk services

We also recognise the concerns which have been raised around smaller platforms which allow or encourage suicide, antisemitic, incel and racist content on their services, and we will continue with cross-government work on such issues. These platforms will already be subject to the illegal safety duties, ensuring that they put in place effective measures to prevent the most harmful content being shared on their services.

The current provisions in the Bill relating to legal content that poses a risk of harm to adult users acknowledges that the reach of such content, as well as the functionality of the service, such as algorithmic promotion of harmful content, will affect the risk it poses to users.

Further research is necessary to determine whether there is sufficient evidence to expand the duties on small but risky platforms. We will therefore be conferring a deferred power on the Secretary of State to create a new category of small but high-risk services which will be subject to the duties relating to adults’ risk assessment and adult safety. This change will mean those smaller but high-risk services will be held to account for the transparent and consistent enforcement of their own terms and conditions. The services included in this new category would be identified through a similar process as for category 1 services in the Bill, but without a requirement relating to the number of users of the service. The Secretary of State will also be able to consider other relevant factors in addition to the risk of harm, to avoid inadvertently bringing small services into scope where this would not be proportionate to the risk presented.

To ensure the Secretary of State has the necessary evidence to inform the decision on whether to make this change, we will require Ofcom to produce a report with evidence of the prevalence of, and risk associated with, priority harmful content on non-category 1 services. The Secretary of State will be required to consider that report when taking the decision on whether to commence the power.

It is vital that the Online Safety Bill remains targeted and proportionate and does not impose any undue burdens on business. We will only apply the adult’s risk assessment and adult safety duties to services in this new category, rather than the full range of category 1 duties.

Definition of “recognised news publisher”:

We are committed to protecting media freedom and the invaluable role of a free press in our society and democracy. We are clear that online safety regulation must protect the vital role of the press in our society. This is why we have provided protections for recognised news publisher content and journalistic content. News publishers’ websites are not in scope of online safety

regulation. The legislation also contains safeguards for news publisher content and wider journalistic content when it is shared on in-scope social media platforms, including a right of appeal for journalists when their content is removed. At report stage, we will strengthen protections, including to ensure that recognised news publishers' content remains online while an appeal takes place. However, we are clear that sanctioned news outlets such as RT must not benefit from these protections. As such, we intend to amend the criteria for determining which entities qualify as recognised news publishers in the Lords explicitly to exclude entities that are subject to sanctions.

Epilepsy trolling:

Flashing images sent online deliberately to people with epilepsy can result in significant harm. The Government have listened to parliamentarians and stakeholders about the impact and consequences of this awful behaviour. We welcome the Law Commission's recommended new criminal offence and can confirm that the Government will legislate for a new offence of epilepsy trolling through this Bill at the earliest possible stage. We had hoped to introduce a Government amendment at report stage, but it is essential to create an offence that is legally robust and enforceable so that those perpetrating this disgraceful behaviour will face the appropriate criminal sanctions. We therefore commit to tabling amendments to create this offence in the Lords.

Secretary of State's power of direction on codes of practice:

We recognise the concerns raised that the Bill allows too great a degree of Executive control. These have focused in particular on the power for the Secretary of State to require Ofcom to modify a draft of a code of practice for reasons of public policy. We remain committed to ensuring that Ofcom maintains its regulatory independence, which is vital to the success of the framework. With this in mind, we have built a number of safeguards into the use of the Secretary of State's powers, to ensure they are consistent with our intention of having an independent regulator and are only used in limited circumstances with appropriate scrutiny.

We will make two substantive changes to this power: firstly, we will make it clear that this power would only be used "in exceptional circumstances"; and secondly, we will replace the "public policy" wording with a more clearly defined list of reasons for which the Secretary of State could issue a direction. This list will comprise national security, public safety, public health, the UK's international relations and obligations, economic policy and burden to business.

We are grateful for the continued engagement and scrutiny of the Bill as it moves through its parliamentary stages. These changes ensure that the Bill remains sustainable, workable, and proportionate, and will create a significant step-change in the experience people have online.

Publishing risk assessment summaries:

We recognise the need for companies to be as transparent as possible when it comes to the level of risk in the design and operation of their services. This needs to be balanced with ensuring confidential information is protected, whilst maintaining the Bill's risk-based and proportionate approach. The Bill already requires in-scope services to carry out risk assessments, keep them up to

date and update them before making a significant change to the design or operation of their service. Ofcom will also require major platforms to publish annual transparency reports. Summaries of risk assessments could be included in this; however, we recognise calls to ensure this is more robustly enforced.

We therefore intend to require the highest risk companies to publish a summary of their illegal and child safety risk assessments, with a further requirement that the same categories of company submit these risk assessments in full to Ofcom. This should ensure greater transparency from the highest risk companies, whilst making it easier for Ofcom to supervise compliance with the risk assessment duty.

[HCWS193]

Online Safety Bill: Scope

The Secretary of State for Digital, Culture, Media and Sport (Ms Nadine Dorries): The Online Safety Bill will deliver vital protections for children, ensure there are no safe spaces for criminals online and protect and promote free speech.

All services in scope of the Bill must tackle criminal activity online, and all services likely to be accessed by children will have duties to protect them from harmful content. The major platforms will have additional responsibilities to set out clearly what content harmful to adults they allow on their service, and to enforce their own policies consistently. Nothing in the Bill requires services to remove legal content from their platform and users will continue to be able to hold robust discussions of controversial issues, including those which might cause offence, online.

The Bill sets a threshold for harmful content, which brings into scope content of a kind which presents a material risk of significant harm to an appreciable number of children or adults in the UK. Disagreement online will not meet the threshold of harm in the Bill, including on issues of scientific debate.

A key feature of the online safety regulatory framework will be the designation of priority harmful content for children and adults. Services in scope of the Bill which are likely to be accessed by children will be required to prevent them from encountering "primary priority content that is harmful to children", and to protect children in age groups at risk of harm from "priority content that is harmful to children".

The largest and most high risk, category 1, services will also need to be clear in their terms of service how "priority content that is harmful to adults" is addressed by the service. Services will be able to set their own tolerance for legal content for adult users. Category 1 services will need to assess the risk of priority harmful content to adults, set out clearly in terms of service how such content is treated and enforce their terms of service consistently. This could include specifying that the content will be removed or deprioritised in news feeds, but could also include the platform stating that such content is allowed freely or that it will be recommended or promoted to other users. In addition, all services will need to have regard to freedom of expression when implementing their safety duties.

Final details of the types of content covered by the three categories—primary priority content for children, priority harmful content for children and priority harmful content for adults—will be designated in secondary legislation following consultation with Ofcom. This will ensure the types of designated content are based on the most recent evidence and emerging harms can be added quickly, future-proofing the legislation. However, the Government recognise the interest from parliamentarians and stakeholders in the identity of priority harmful content. To provide more detail on the harms that we intend to designate, the Government are publishing a proposed list of the types of content that it expects to be listed as primary priority and priority harmful content for children and priority harmful content for adults.

The Government consider that the types of content on the indicative list meet the threshold for priority harmful content set out in the Bill. This threshold is important to ensure that the online safety framework focuses on content and activity which poses the most significant risk of harm to UK users online. It is important for the framework to distinguish in this way between strongly felt debate on the one hand, and unacceptable acts of abuse, intimidation and violence on the other. British democracy has always been robust and oppositional. Free speech within the law can involve the expression of views that some may find offensive, but a line is crossed when disagreement mutates into abuse or harassment, which refuses to tolerate other opinions and seeks to deprive others from exercising their free speech and freedom of association.

This may not be an exhaustive list of the content which will be designated as priority harmful content under the Bill. We will continue to engage extensively with stakeholders, parliamentarians and Ofcom, including on some of the most harmful content online, ahead of designating the details of the three categories of priority harmful content in secondary legislation.

Indicative list of priority harmful content

Adults:

Priority content (category 1 services need to address in their terms and conditions):

Online abuse and harassment. Mere disagreement with another's point of view would not reach the threshold of harmful content, and so would not be covered by this.

Circulation of real or manufactured intimate images without the subject's consent

Content promoting self-harm

Content promoting eating disorders

Legal suicide content

Harmful health content that is demonstrably false, such as urging people to drink bleach to cure cancer. It also includes some health and vaccine misinformation and disinformation, but is not intended to capture genuine debate.

Children:

Primary priority content (children must be prevented from encountering altogether):

Pornography

Content promoting self-harm (with some content which may be designated as priority content, e.g. content focused on recovery from self-harm)

Content promoting eating disorders (with some content which may be designated as priority content, e.g. content focused on recovery from an eating disorder)

Legal suicide content (with some content which may be designated as priority content, e.g. content focused on recovery)

Priority content (companies need to ensure content is age appropriate for their child users):

Online abuse, cyberbullying and harassment

Harmful health content (including health and vaccine misinformation and disinformation) Content depicting or encouraging violence

[HCWS194]

TREASURY

Fiscal Risks and Sustainability Report 2022

The Chief Secretary to the Treasury (Mr Simon Clarke):

The Office for Budget Responsibility has published its Fiscal Risks and Sustainability report today. This report fulfils the OBR's obligation to examine and report on the sustainability of, and the risks to, the public finances, in accordance with the Charter for Budget Responsibility. The UK continues to be a leading example in fiscal transparency and risk management.

The FRS has been laid before Parliament today and copies are available in the Vote Office and Printed Paper Office. The Government will respond formally to the FRS 2022 at a subsequent fiscal event.

The UK has experienced several significant shocks over the last decade, including the challenges posed by the covid-19 pandemic, Russia's invasion of Ukraine and a spike in global energy prices.

The Government have taken a balanced approach, ensuring that it continues to support people and the economy in the face of global pressures and uncertainty with temporary, timely and targeted support, while reducing debt over the medium term. The Government support for cost of living has now totalled over £37 billion this year, with the OBR noting in today's report that the Government spent as much

“as it did supporting the economy through the financial crisis”.

The Government are also committed to building a stronger economy for future generations, and the OBR today has revised up long-run productivity growth because of the Government plans to deliver over £600 billion in gross public sector investment over the next 5 years, reaching the highest sustained levels of public sector net investment as a proportion of GDP since the late 1970s.

In the long run, the OBR's projections show that demographic change, other cost pressures and the transition to net zero will present significant challenges to the public finances. The OBR note the actions the Government have taken to strengthen the public finances and reduce debt levels over the medium term, but significant pressures remain. The report also highlights that the UK still faces threats in the near term. The public finances remain sensitive to inflation and interest rates, with the outlook for energy prices being uncertain and made more pronounced by heightened geopolitical tensions. The Government must therefore continue to bring down the level of debt and rebuild fiscal space, so we can safeguard the economy against future challenges and respond as future risks materialise.

[HCWS191]

HEALTH AND SOCIAL CARE

Care Costs Cap

The Minister for Care and Mental Health (Gillian Keegan): The Government are implementing a comprehensive reform programme of adult social care with £5.4 billion investment over three years, building on measures in the Health and Care Act. This includes £3.6 billion to reform the social care charging system and enable all local authorities to move towards paying providers a fair cost of care.

Today the Department of Health and Social Care has published updated operational guidance on implementing the cap on care costs, alongside the Government response to the consultation on this draft guidance. This guidance seeks to support all local authorities in their preparations for implementing our reforms from October 2023.

These changes will end the lottery of unpredictable care costs through the introduction of a £86,000 cap on personal care costs, as well as a more generous means test, raising the upper capital limit from £23,350 to £100,000, and the lower capital limit from £14,250 to £20,000.

The Government's consultation on the statutory guidance to implement charging reform ran from 4 March until 31 March 2022 and sought views on how a cap on care costs would operate in practice. The consultation received 161 responses, indicating broad support of the policy principles and the aims of our reforms. The feedback suggested that sections of the guidance needed further development to ensure they are clear and workable. We have therefore worked with local authorities and the wider adult social care sector to clarify and expand the guidance in line with this feedback.

The guidance updates the existing care and support statutory guidance (CASS) and covers the following areas:

Cap on care costs (including detail on: daily living costs; what counts towards the cap; the metering process; requesting that the local authority meets self-funders' needs and cross-border issues);

Independent personal budgets (including detail on: the principles of establishing an independent personal budget; verification of the purchase of care; dispute resolution; and moving from an independent personal budget to a personal budget);

Care accounts (including detail on: what should be included in a care account; care account statements; retention of care accounts; and portability of care accounts).

We have also amended the guidance in response to feedback on the implementation of one specific aspect of our reforms, the extension of section 18(3) of the Care Act 2014.

As announced in building back better, from October 2023 we will extend the right for self-funding individuals to have their eligible care needs met by their local authority,

such that they can access care at, generally lower, local authority rates. This is aimed at improving fairness and accessibility, as well as supporting the operation of the cap, which is based on how much local authorities pay for care. We will do this by extending the application of section 18(3) of the Care Act 2014.

The consultation sought views on how best to ensure smooth implementation of this change. Respondents pointed towards a need to mitigate the initial impacts of section 18(3) and a common theme in responses from local authorities was concern about the workability of full implementation from October 2023. They were also concerned about the potential impact on those awaiting care and support, should a large number of people with existing care arrangements already in place approach their local authority to arrange their care at this point in time.

The guidance published today therefore clarifies our intention to stage the extension of section 18(3) over 18 months, so that people entering residential care from October 2023 are initially eligible. Additionally, anybody already living in residential care will be eligible from April 2025 at the latest, and earlier if the market can sustain full rollout. This will be kept under regular review. Section 18(3) already applies to individuals who are receiving care outside of a residential care setting.

Section 18(3) does not affect an individual's ability to use the cap on care costs; all care users will be able to meter towards the cap on care costs from October 2023. Rather, section 18(3) helps individuals ensure that they pay no more than the metering rate when meeting their eligible needs; the metering rate is based on the fees commissioned by local authorities, and these cannot always be secured by individuals arranging their own care. This means that individuals using section 18(3) from October 2023 onwards need not pay more than £86,000 on getting the personal care they need; their local authority will arrange their care and they will meter towards the cap based on the amount they spend. Everyone who funds their own care will be able to ask their local authority to meet their needs from April 2025 at the latest. People with assets of less than £100,000 do not need to use section 18(3); they will be able to ask their local authority to meet their needs from October 2023, as a result of the extended and more generous means test.

This staged approach to introduction will allow individuals funding their own care to benefit from local authorities' expertise in commissioning as quickly as possible, while allowing local authorities and social care providers to plan for this change and avoid unnecessary disruption to service provision.

Today's publication is a further milestone on the Government's journey to reform adult social care, creating a system that is fit for the future and of which we can all be proud.

[HCWS189]

Ministerial Correction

Thursday 7 July 2022

TRANSPORT

Draft Motor Vehicles (International Circulation) (Amendment) Order 2022

The following is an extract from the debate on the draft Motor Vehicles (International Circulation) (Amendment) Order 2022 in the Third Delegated Legislation Committee on 14 June 2022.

Trudy Harrison: In terms of the timescale that the shadow Minister asked for, we expect the instrument to come into force once the Privy Council has approved it in August, 28 days after it has been signed.

[Official Report, Third Delegated Legislation Committee, 14 June 2022, Vol. 716, c. 6.]

Letter of correction from the Under-Secretary of State for Transport, the hon. Member for Copeland (Trudy Harrison).

An error has been identified in my response to the debate.

The correct response should have been:

Trudy Harrison: In terms of the timescale that the shadow Minister asked for, we expect the instrument to come into force **the day after the Privy Council has approved it. The Privy Council is meeting on 19 July, so we expect the instrument to come into force on 20 July 2022.**

ORAL ANSWERS

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No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than
Thursday 14 July 2022**

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