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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 7 September 2022

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Devolved Government

1. **Theresa Villiers** (Chipping Barnet) (Con): What steps his Department is taking to help restore devolved government in Northern Ireland. [901352]

7. **Sir Desmond Swayne** (New Forest West) (Con): What steps his Department is taking to help restore devolved government in Northern Ireland. [901358]

Mr Speaker: I welcome the Secretary of State for Northern Ireland to his new position.

The Secretary of State for Northern Ireland (Chris Heaton-Harris): Good morning, Mr Speaker. It is a pleasure to be here this morning in this role. It means that we will not be speaking to each other quite as much as we have done in the past, but I very much appreciate the way that you have interacted with me in my previous role; thank you, Sir.

I obviously intend to continue the excellent work of my two predecessors. I will be speaking to each of the Northern Ireland party leaders and will urge them to form an Executive as soon as possible. I know the House shares my view that Northern Ireland needs a stable, fully functioning devolved Government to deliver on the issues that matter most to people.

Theresa Villiers: My right hon. Friend will know that Northern Ireland is a great place—a wonderful part of our United Kingdom. I warmly congratulate him on his new role. I know that he will do a fantastic job.

The main barrier to the resumption of devolved power-sharing government is, of course, the Northern Ireland protocol, so will he undertake to push that legislation through as quickly as possible and use an Act of Parliament to get it through if necessary?

Chris Heaton-Harris: I thank my right hon. Friend for her good wishes. I think she was the third longest serving Secretary of State for Northern Ireland. I hope to emulate her and perhaps beat her record if I am any good at my role. I know the energy and passion that she put into it.

We are committed to resolving the problems in the protocol—ideally through negotiation, but if not, through legislation—so yes.

Sir Desmond Swayne: But there is no prospect of restoring devolved government until the protocol has been resolved. Is that not the case?

Chris Heaton-Harris: The Executive do need to reform. That is very, very important. Whatever issues there are with the protocol, there are very important functions and services that the people of Northern Ireland need to work, so the Northern Ireland parties need to form an Executive as soon as possible. The protocol has put up barriers to trade and other things. We can fix them through negotiation, but if we cannot, we will fix them through legislation.

Claire Hanna (Belfast South) (SDLP): I welcome the Minister to his new role. We are concerned about his politics, but the SDLP will work constructively with anybody to get solutions. He will be aware of the absence of a fuel poverty strategy and that UK-wide solutions do not account for the fact that 68% of Irish homes run on oil. They are proof that Stormont caretaker Ministers either cannot or will not see Northern Ireland through the cost of living crisis. We are concerned that the only trick up the Government's sleeve appears to be one that will alienate a majority of Northern Ireland voters and parties, but we ask the Minister to commit to working constructively with all parties, with all identities, to get us through this impasse and see the people of Northern Ireland through the winter.

Chris Heaton-Harris: I thank the hon. Lady for her question. She had some experience of working with me when I had my Foreign Office role at the beginning of this year. I would like to think that we did work constructively together. I demonstrated that I will happily work with all parties and all communities in Northern Ireland and I intend to continue in that frame as I move forward.

Mr Speaker: I call the shadow Secretary of State.

Peter Kyle (Hove) (Lab): I welcome the new Secretary of State to his place and pay tribute to both of the Northern Ireland Secretaries that we have had since July. I particularly pay tribute to his predecessor, the right hon. Member for North West Cambridgeshire (Shailesh Vara), and his predecessor's predecessor, the right hon. Member for Great Yarmouth (Brandon Lewis).

Let me ask at the outset whether the Government's position on getting Stormont up and running is unchanged. To date, we have heard that

"there is no excuse for the DUP not being back in government", and also:

"Unless we get an Executive we can't help those families in Northern Ireland."

Is that still the case?

Chris Heaton-Harris: We are clear that the protocol is a negotiation between the EU and the UK, but, yes, the position is completely unchanged.

Peter Kyle: The former Foreign Secretary stopped protocol negotiations back in February. Now that she is Prime Minister, her team has been briefing conflicting reports about her intentions. We have heard that negotiations will restart. We have heard that negotiations will not restart and that article 16 will be used instead, or that the protocol Bill will proceed with urgency,

provoking EU retaliation. This issue will have been covered in the appointment conversation that the Secretary of State had with the Prime Minister. It is imperative that he now updates and informs the House which of these will become Government policy.

Chris Heaton-Harris: I thank the hon. Gentleman for his question. I had hoped that I had answered that a tiny bit earlier. I am keen that, in sorting out the issues of the protocol, we try to negotiate a solution with the European Union. However, we do have legislation ready. We have discussed it in this House. If we do not get a negotiated solution, we will legislate.

Sammy Wilson (East Antrim) (DUP): I welcome the Secretary of State to his position and look forward to working with him. I hope that he will be successful in doing what is necessary to get Stormont restored, namely removing the poison of the protocol. Does he understand why Stormont and the Executive could not operate while Unionists are required through the “Ministerial Code” and decisions of the Executive to implement the very agreement that they believe is destroying the Union and damaging the economy? I trust that, in his position, he will work vigorously to have the protocol removed and sensible government restored in Northern Ireland.

Chris Heaton-Harris: I thank the right hon. Gentleman for his question. The one thing that was abundantly clear when I travelled to Northern Ireland earlier this year was that the protocol was not working for all communities in Northern Ireland. Everyone had a different solution to the problems of the protocol, but the protocol was not working. I will work with everybody to try to solve those problems, and I will be urging him and his party to go back and form an Executive, because the best way forward for Northern Ireland is for it to have a functioning Executive in the future.

Sammy Wilson: Does the Secretary of State understand that this is not just a Unionist concern? While Unionists are concerned about the constitutional impact of the protocol, the economic impact of the protocol, be it the 25% duty on steel, the 14% increase in the cost of moving goods to Northern Ireland or the reduction of choice for consumers in Northern Ireland, affects everyone in Northern Ireland, whether they are Unionist, nationalist or neither.

Chris Heaton-Harris: The right hon. Gentleman is completely correct. I saw for myself that the problems caused in the supply chain to Northern Ireland affect every single person in Northern Ireland.

Northern Ireland Protocol: Exceptions

2. **Alan Brown (Kilmarnock and Loudoun) (SNP):** What assessment he has made with Cabinet colleagues of the potential impact of clause 15 of the Northern Ireland Protocol Bill on the (a) Northern Ireland and (b) UK economy. [901353]

4. **Gavin Newlands (Paisley and Renfrewshire North) (SNP):** What assessment he has made with Cabinet colleagues of the potential impact of clause 15 of the Northern Ireland Protocol Bill on the (a) Northern Ireland and (b) UK economy. [901355]

The Secretary of State for Northern Ireland (Chris Heaton-Harris): Clause 15 ensures that the Bill can fully meet its objectives by granting powers to make clear where additional elements of the protocol and withdrawal agreement are excluded, subject to carefully defined purposes. To ensure that that is done only if necessary to meet the Bill’s objectives, that power is limited to a list of specified purposes.

Alan Brown: With increased exports, manufacturers in Northern Ireland rank trade arrangements as the least of their post-Brexit challenges, and Office for National Statistics figures show that the protocol has actually protected Northern Irish trade. Despite those facts, the Government seem somehow beholden to the minority views of the Democratic Unionist party. Will the Secretary of State abandon the Northern Ireland Protocol Bill and work constructively with the European Union to prevent a trade war at this time of a cost of living crisis?

Chris Heaton-Harris: There is a point among all that I agree with: it is important that we work together across this House to sort out the cost of living crisis, which affects everybody, especially those in Northern Ireland. However, I humbly suggest to the hon. Gentleman that it is quite rich for the Scottish National party to try to interfere in Northern Irish business.

Gavin Newlands: Follow that! During her leadership campaign, the new Prime Minister said she was determined to deliver the Northern Ireland Protocol Bill in full—no matter the consequences, apparently. I appreciate that the Secretary of State is brand new, so I will give him a multiple-choice question. On those consequences, will the Government a) risk a trade war with the EU and its 500 million consumers; b) risk inflaming a potentially volatile situation in Northern Ireland; c) risk people’s livelihoods and perhaps even lives in pursuit of a hard Brexit that has failed already; or d) all of the above, in ploughing on anyway?

Chris Heaton-Harris: I think the hon. Gentleman missed the option of always putting the interests of Northern Ireland first, sorting out the problems of the protocol and getting a negotiated solution—and if not, legislating for one.

Bob Blackman (Harrow East) (Con): Does my right hon. Friend agree that it is vital for the future of the Northern Ireland economy that goods and services can flow freely from Northern Ireland to the rest of the United Kingdom and back to Northern Ireland?

Chris Heaton-Harris: I can 100% agree with my hon. Friend. He is completely right. It is important that goods and services that are available in England, Scotland and Wales are fully available in Northern Ireland and that goods and services can flow properly. The problems that the protocol has, probably inadvertently, put in place mean that that is not the case now, and we need to solve that issue.

Mr Speaker: I call the SNP spokesperson, Richard Thomson.

Richard Thomson (Gordon) (SNP): I take this opportunity to welcome the Secretary of State; I very much look forward to working with him.

The protocol Bill is still to make its way through the House of Lords, despite opposition to it on the Opposition Benches in this House during its passage. Can the Secretary of State confirm whether it is still the preference of the UK Government to reach a negotiated settlement with the European Union over the protocol without having to apply the terms of the protocol Bill? If it is, given that there have been no substantive negotiations since February, when does the Secretary of State plan to initiate those discussions?

Chris Heaton-Harris: First, I thank the hon. Gentleman for welcoming me to my new role; I really do look forward to working with him. Secondly, yes, the new Prime Minister said at every single hustings, I believe, that the preferred option is negotiation to sort out the protocol, but the legislation is there and it will continue through its process.

Sir Oliver Heald (North East Hertfordshire) (Con): May I welcome my right hon. Friend to his new duties, and ask him to use his well known diplomatic skills and his deep experience as a referee in his new responsibilities? Does he agree with me, as co-chair of the UK-EU Parliamentary Partnership Assembly, that there is obviously a landing zone for an agreement? Both sides say so. In his discussions with the political parties from Northern Ireland, can he press for and redouble efforts on discussions that yield a result in the interests of us all?

Chris Heaton-Harris: I thank my right hon. and learned Friend for his question and for the work that he does chairing that assembly. I, too, believe, and thought when I left the Foreign Office in February, that there is a fairly obvious landing zone for the negotiations, and I very much hope and believe that that is the case today. I think that everything can be sorted out by negotiations, but we have legislation that we will use if not.

Northern Ireland Protocol

3. **Christine Jardine** (Edinburgh West) (LD): What recent discussions he has had with representatives of political parties in Northern Ireland on the Northern Ireland Protocol Bill. [901354]

The Secretary of State for Northern Ireland (Chris Heaton-Harris): I thank the hon. Lady for her question. I will be speaking to each of the Northern Ireland party leaders this week on a number of issues, including the protocol and, as I may have mentioned, will be urging them to form an Executive as soon as possible.

Christine Jardine: As the Secretary of State is probably aware, the leader of the Alliance Party of Northern Ireland has claimed that the Government have until now taken a rather differentiated approach to the parties, and only the Democratic Unionist party was consulted on the drafting of the Northern Ireland Protocol Bill. Given the crucial importance of the protocol to our future relationship with Europe, to the future of the

United Kingdom and to the people of Northern Ireland, will he do everything that he can to ensure that each party is consulted equally?

Chris Heaton-Harris: Forgive me, but I do not think that that is completely correct, because all parties were consulted during the process—but yes, I will talk to everybody as I move forward.

Cost of Living Increases

5. **Beth Winter** (Cynon Valley) (Lab): What steps the Government are taking to help tackle increases in the cost of living in Northern Ireland. [901356]

6. **Rachael Maskell** (York Central) (Lab/Co-op): What steps the Government are taking to help tackle increases in the cost of living in Northern Ireland. [901357]

14. **Geraint Davies** (Swansea West) (Lab/Co-op): What steps the Government are taking to help tackle increases in the cost of living in Northern Ireland. [901365]

The Minister of State, Northern Ireland Office (Conor Burns): The Government have taken decisive action to help tackle increases in the cost of living across the entirety of the United Kingdom, including support for the most vulnerable households in Northern Ireland, who will receive up to £1,000, including a one-off £650 cost of living payment. Yesterday, our new Prime Minister, whom we warmly welcome to office, made it clear that the Government will announce further action later this week.

Beth Winter: The Conservatives' low-pay agenda means that public sector pay awards are insufficient, and are pushing millions of people into poverty. Health and local authority workers in Northern Ireland are balloting over poor pay awards, as is happening in Wales. Will this new Conservative Government end their predecessors' low-pay agenda and provide the two nations with the required funding to provide an inflation-proof pay rise, which people need and deserve?

Conor Burns: I am grateful to the hon. Lady for her question, and I preface my answer by saying that I welcome the new Secretary of State for Northern Ireland, my friend, to his position. I know that he will engage constructively with everyone and with all political parties in Northern Ireland.

I was discussing the matters that the hon. Lady raised with the head of the Northern Ireland civil service, Jayne Brady, at the weekend. Northern Ireland has received the largest block grant since devolution in 1998, and as my right hon. Friend the new Prime Minister has made clear, we stand ready to make further announcements later this week. However, we also continue to urge the parties in Northern Ireland to get a reformed, devolved Executive up and running in Northern Ireland so that the people who elect politicians in Northern Ireland can hold them accountable for the decisions that impact their lives.

Rachael Maskell: A quarter of all children in Northern Ireland are living in significant poverty—the same proportion as in my constituency in York—but that is about to get worse. It is an indictment of this Government

that they have failed to protect children from the cost of living crisis and have failed to invest in their future. What fiscal steps is the Minister calling for from the new Chancellor so that every child can have a warm meal in their stomach each day and a warm home to live in?

Conor Burns: The hon. Lady is right to highlight the extent of the challenge, but as she is incredibly fair-minded I know that she will acknowledge that Northern Ireland has significant challenges that go back many generations. If, for example, we could get Northern Ireland to the average UK level of productivity, it would be worth some £16 billion to the Exchequer. If we could get the level of economic inactivity in Northern Ireland to the UK average, there would be an extra 50,000 people in work in Northern Ireland. That is the scale of the challenge that will face all Governments as they try to improve the opportunities for all communities across Northern Ireland.

Geraint Davies: Northern Ireland is poorer, it is less well, it is more dependent on public sector pay and it is going to be hit much harder by the cost of living crisis, so why do the UK Government not spend the £400 million that has been allocated but is not being spent because Stormont is not sitting directly on the people who need it most, rather than being preoccupied with cutting Northern Ireland off from the single market, which will make things even worse?

Conor Burns: The hon. Gentleman is absolutely right to highlight the scale of the challenge. My right hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), when he was Chancellor of the Exchequer, came to Northern Ireland to meet the Communities Minister and the Economy Minister to seek ways that the UK Government could get help directly to people who need it so desperately in Northern Ireland. We are absolutely clear—the whole House will understand this, and my right hon. Friend the new Secretary of State made it clear earlier—that the protocol is a negotiation between the Government of the United Kingdom and the European Union. We have committed publicly and straightforwardly to fixing the challenges of the interpretation and implementation of the protocol, and we believe that while we crack on with that, the parties should crack on with reforming devolved government in Northern Ireland.

Mr Speaker: I call the Chair of the Northern Ireland Affairs Committee.

Simon Hoare (North Dorset) (Con): My right hon. Friend the Minister of State will know that the cost of living will continue to be exacerbated by the absence of Stormont and a functioning Executive. Protocol issues are being prayed in aid as an inhibitor to the restoration of Stormont. He has worked his socks off over the summer to try to bring things to a helpful and meaningful conclusion. Is he in a position to update the House on the progress he has made?

Conor Burns: The Chairman of the Select Committee asks about an incredibly important point. Getting a restored devolved Government in Northern Ireland will help enormously in delivering for the people of Northern

Ireland. We absolutely acknowledge that the protocol—its interpretation and application—is the impediment to the Democratic Unionist party going back into government, and we will fix that.

My hon. Friend is correct that I have spent a very busy period over the summer engaging with the Irish and elsewhere. I would like to place on record in the House today my thanks to the former Taoiseach, Bertie Ahern, and the former Prime Minister, Sir Tony Blair, for their assistance in the work that I have done over the summer. This weekend at the British-Irish Association in Oxford, I had constructive and prolonged talks with Vice-President Šešćovič, and I am convinced that if the appetite exists, we can find a way to a negotiated solution to the Northern Ireland protocol in the interests of all the people of Northern Ireland and all the people of the United Kingdom—and in the interest of finding a new way of working in partnership with the European Union post Brexit.

Julian Smith (Skipton and Ripon) (Con): I welcome the new Secretary of State. I hope he has had time to savour those moments of ecstatic relief upon realising, as a former Chief Whip, that he no longer has responsibility for the Tory parliamentary party.

Northern Ireland has unique energy needs: a reliance on heating oil, different regulation, a preponderance of small businesses and very low disposable incomes. Will the Minister confirm that in tomorrow's energy announcement, Northern Ireland will hear not only what will happen to it but when payments will start to be made?

Conor Burns: I thank my right hon. Friend for that question and I say to him that he is held in deep affection across Northern Ireland. He is right to identify Northern Ireland's unique energy challenges, which I have seen and heard about myself on visits in recent weeks. I know that the new Prime Minister will be hearing those messages too and will want to update the House as soon as possible.

Let me use this occasion to pay tribute to the wonderful visits team in Northern Ireland, whom my right hon. Friend will remember—Nadine, Kathryn, Nicola, Helena and George. They have supported me so brilliantly on the 277 visits that I have carried out over the last 12 months as Minister of State, 107 of them to businesses.

Mr Speaker: I call the shadow Minister, Tonia Antoniazzi.

Tonia Antoniazzi (Gower) (Lab): Yesterday, the Resolution Foundation told the Business, Energy and Industrial Strategy Committee that there had been a disgraceful lack of discussion about the cost of living crisis in Northern Ireland. Ofgem does not exist there, so there is no price cap on energy; 68% of homes are fuelled by oil, so costs went up in February; and a non-functioning Executive means that there is no £400 support payment. Can the Minister tell us why the Government have allowed the people of Northern Ireland to suffer for longer, and how he intends to right that wrong?

Conor Burns: I have to say that that would have been an absolutely brilliant question, if the hon. Lady had not listened to any of the answers we have given so far. I

have pointed out that the former Chancellor, my right hon. Friend the Member for Stratford-on-Avon, was there talking to the Economy and Communities Ministers. We are working with every effort to try to get help directly to the people of Northern Ireland.

I have explained what we are doing in terms of the underlying economic challenges in Northern Ireland. I have not pointed out that, in addition to all that, we have made the largest block grant since devolution with £400 million on the new deal, £617 million on city deals, £730 million on Peace Plus and £2 billion through the New Decade, New Approach commitment negotiated by my right hon. Friend the Member for Skipton and Ripon (Julian Smith). The Government are doing everything they can to deliver for the people of Northern Ireland, as they are for people across the entire United Kingdom.

Justice for Victims

10. **Dan Jarvis** (Barnsley Central) (Lab): What assessment he has made of the potential impact of the Northern Ireland Troubles (Legacy and Reconciliation) Bill on access to justice for victims. [901361]

The Secretary of State for Northern Ireland (Chris Heaton-Harris): I thank the hon. Gentleman for his question. He will know that I am fairly new to my post so, to be honest, I have not actually made an assessment, but the Government believe that an approach to the past focused primarily on criminal justice outcomes will fail to deliver justice and information to the vast majority of those affected by the troubles. The legislation focuses on information recovery while ensuring that those who do not engage with this process remain indefinitely liable to prosecution.

Dan Jarvis: I welcome the Secretary of State to his place. During the debates on the Bill, Members from both sides of the House paid tribute to and supported the work of Chief Constable Jon Boutcher, who is conducting Operation Denton, which affects 127 families who lost loved ones in the troubles in Northern Ireland. Regardless of the passage of the Bill, I ask the Secretary of State to look at whether there is a way for that important work to continue, so that families in Northern Ireland can get the answers that they deserve.

Chris Heaton-Harris: I thank the hon. Gentleman for drawing my attention to that ongoing work. Of course, I will happily look at that work and come back to him, if I may.

Women's Rights

11. **Huw Merriman** (Bexhill and Battle) (Con): What steps his Department is taking to help protect women's rights in Northern Ireland. [901362]

The Secretary of State for Northern Ireland (Chris Heaton-Harris): I thank my hon. Friend for his question. This Government support any work undertaken in Northern Ireland to tackle issues that disproportionately affect women. In May, my predecessor made regulations that remove the barriers to ensure that women and girls in Northern Ireland have the same access to healthcare as those in the rest of the UK.

Huw Merriman: Despite the lead taken by the Government and the votes of this House, abortion services are still not being commissioned in Northern Ireland. I ask the Secretary of State to give a timeframe for when that will finally occur.

Chris Heaton-Harris: I will happily write to my hon. Friend with more details about that, but the regulations laid in May take a dual approach. On 20 May, the previous Northern Ireland Secretary wrote to the Health Minister in Northern Ireland requesting that he provide a clear and unambiguous commitment that he will comply with the regulations. There has been lots more action since, about which I will write to my hon. Friend.

Ian Paisley (North Antrim) (DUP): On the issue of women's rights, this week Northern Ireland's golden girl, Lady Mary Peters, celebrated 50 years since achieving her gold medal at the Olympics. She has inspired young women such as Bethany Firth, Kate O'Connor, Ciara Mageean and a host of others to do likewise. Now that the Secretary of State is in post, what will he do to promote women into sport and encourage them with not only active support but resources for sport?

Chris Heaton-Harris: I thank the hon. Member for his question. He will know that I am a not very good but passionate sportsman in a whole host of sports, and I recognise what getting more women involved in all sorts of sports can do to benefit communities, people, their health and everything else. I will do everything I possibly can using sport as a tool to both get involved in all the communities in Northern Ireland and try to encourage more women into sport at the same time.

Mr Speaker: Before we come to Prime Minister's questions, I would like to point out that the British Sign Language interpretation of proceedings is available to watch on parliamentlive.tv.

I would also like to take this opportunity to welcome the new Prime Minister to her place—and I know she will want to ensure that any statements will be made in the House first.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [901379] **Mrs Paulette Hamilton** (Birmingham, Erdington) (Lab): If she will list her official engagements for Wednesday 7 September.

The Prime Minister (Elizabeth Truss): I am honoured to take my place as Prime Minister in this House and to take on responsibility at a vital time for our country. I am determined to deliver for everybody across our United Kingdom. I will work constructively with all Members of this House to tackle the challenges we face.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Mrs Hamilton: Can I warmly welcome the Prime Minister to her place? This is her first Prime Minister's question, and it is also mine.

In a leaked audiotape, the Prime Minister is heard saying that British workers need to put in “more graft” and that they are lacking in “skill and application”. She also wants to take away their basic workers’ rights. In my Erdington constituency, the latest figures from the Commons Library show that children in over 7,000 households are living in child poverty and that 68% of those households have working parents. So does the Prime Minister believe that thousands of working parents on low income in my community should just put in more graft?

The Prime Minister: I congratulate the hon. Lady on her first Prime Minister’s question. What I am determined to do as Prime Minister is to make sure we have an economy with high wages and high-skilled jobs, and the way I will achieve that is through reducing taxes on people across our country and boosting economic growth. That is the way that we will make sure we get the investment and the jobs that people deserve.

Q3. [901381] **Theresa Villiers** (Chipping Barnet) (Con): I want to warmly congratulate my right hon. Friend on becoming the third woman Prime Minister of this great country. I wish her well with her premiership, and I am going to ask her about pubs today. A pub restaurant in my constituency of Barnet got in touch with me to say they were struggling to find an energy supplier, and the quotes they had got hold of showed that they would be paying a 600% increase in their bill to £320,000. They cannot survive that. Will she ensure her plan to tackle the energy price crisis helps businesses in the hospitality sector, which our communities value so much?

The Prime Minister: My right hon. Friend is absolutely right. The hospitality industry is vital, and I will make sure that our energy plan, which will help support businesses and people with the immediate price crisis, as well as making sure there are long-term supplies available, will help businesses as well as helping individual households.

Mr Speaker: We now come to the Leader of the Opposition, Keir Starmer.

Keir Starmer (Holborn and St Pancras) (Lab): Thank you, Mr Speaker. May I congratulate the Prime Minister on her appointment? When she said in her leadership campaign that she was against windfall taxes, did she mean it?

The Prime Minister: I thank the right hon. and learned Gentleman for his welcome. I hope that we will be able to work together, particularly in areas we agree on. I know that we have had strong support from the Opposition in opposing Vladimir Putin’s appalling war in Ukraine, and I want us to continue to stand up to that appalling Russian aggression, which has led to the energy crisis we face now. I am against a windfall tax. I believe it is the wrong thing to be putting companies off investing in the United Kingdom, just when we need to be growing the economy.

Keir Starmer: I thank the Prime Minister for her answer. I ask because Treasury estimates are that the energy producers will make £170 billion in excess profits over the next two years. The Prime Minister knows that she has no choice but to back an energy price freeze, but that won’t be cheap, and the real choice—the political

choice—is who is going to pay. Is she really telling us that she is going to leave those vast excess profits on the table and make working people foot the bill for decades to come?

The Prime Minister: I understand that people across our country are struggling with the cost of living, and they are struggling with their energy bills. That is why I as Prime Minister will take immediate action to help people with the cost of their energy bills. I will be making an announcement to this House on that tomorrow, and giving people certainty to make sure that they are able to get through this winter, able to have the energy supplies and able to afford it. But we cannot just deal with today’s problem; we cannot just put a sticking plaster on it. What we need to do is increase our energy supplies long term. That is why we will open up more supply in the North sea, which the right hon. and learned Gentleman has opposed, and why we will build more nuclear power stations, which the Labour party did not do when it was in office. That is why we will get on with delivering the supply, as well as helping people through the winter.

Keir Starmer: I look forward to tomorrow’s statement, but the money has got to come from somewhere. The Prime Minister knows that every single pound in excess profits that she chooses not to tax is an extra pound on borrowing that working people will be forced to pay back for decades to come. More borrowing than is needed—that is the true cost of her choice to protect oil and gas profits, isn’t it?

The Prime Minister: The reality is that this country will not be able to tax its way to growth. The way we will grow our economy is by attracting investment, keeping taxes low, and delivering the reforms to build projects quicker—that is the way that we will create jobs and opportunities across our country.

Keir Starmer: So, Mr Speaker, the right hon. Lady’s first act as Prime Minister is to borrow more than is needed because she will not touch excess oil and gas profits. On that topic, how much would her planned corporation tax cut hand out to companies?

The Prime Minister: The right hon. and learned Gentleman is looking at this in the wrong way. The last time we cut corporation tax, we attracted more revenue into the Exchequer because more companies wanted to base themselves in Britain, and more companies wanted to invest in our country. If taxes are put up and raised to the same level as in France—that is what the current proposal is, which I will change as Prime Minister—that will put off investors, and it will put off those companies investing in our economy. Ultimately, that will mean fewer jobs, less growth, and fewer opportunities across our country.

Keir Starmer: It is extraordinary that the Prime Minister is not only refusing to extend the windfall tax but choosing to hand the water companies who are polluting our beaches a tax cut. She is choosing to hand the banks a tax cut. Add it all together, and companies who are already doing well are getting a £17 billion tax cut while working people pay for the cost of living crisis, stroke victims wait an hour for an ambulance and criminals walk the streets with impunity. Families and

public services need every penny that they can get. How on earth does she think that now is the right time to protect Shell's profits and give Amazon a tax break?

The Prime Minister: I am on the side of people who work hard and do the right thing. That is why we will reverse the national insurance increase, and that is why we will keep corporation tax low, because ultimately we want investment right across our country. We want new jobs and new opportunities, and that is what I will deliver as Prime Minister.

Keir Starmer: The Prime Minister claims to be breaking orthodoxy, but the reality is that she is reheating George Osborne's failed corporation tax plans, protecting oil and gas profits, and forcing working people to pay the bill. She is the fourth Tory Prime Minister in six years. The face at the top may change, but the story remains the same.

There is nothing new about the Tory fantasy of trickle-down economics and nothing new about this Tory Prime Minister who nodded through every single decision that got us into this mess and now says how terrible it is. Can she not see that there is nothing new about a Tory Prime Minister who when asked, "Who pays?" says, "It's you—the working people of Britain"?

The Prime Minister: There is nothing new about a Labour leader who is calling for more tax rises. It is the same old, same old tax and spend. What I am about is reducing taxes, getting our economy growing, getting investment and getting new jobs for people right across the country.

I am afraid to say that the right hon. and learned Gentleman does not understand aspiration. He does not understand opportunity. He does not understand that people want to keep more of their own money. That is what I will deliver as Prime Minister. I will take immediate action to help people with their energy bills but also secure our long-term energy supply. I will take immediate action to ensure that we have lower taxes and grow the economy. In that way, I will ensure that we have a positive future for our country and get Britain moving.

Q9. [901387] **Derek Thomas** (St Ives) (Con): First, may I congratulate my right hon. Friend the Prime Minister on her successful campaign to become our party leader and the Prime Minister of the United Kingdom?

It is right and proper that the Government focus their attention on rising energy costs for households across the country, but, as we have heard, businesses big and small are exposed to horrific energy price increases with no restraint provided by the domestic energy price cap and no support so far from Government. For the sake of businesses in west Cornwall and on Scilly, the jobs that they provide and the economy as a whole, what can my right hon. Friend the Prime Minister do to ease the energy costs that our businesses face?

The Prime Minister: My hon. Friend is right: we do need to address the issues that businesses face. The package that we will announce tomorrow will do just that.

Mr Speaker: I call the leader of the SNP.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I am sure that the thoughts and prayers of everyone in the House will be with the families caught up in the terrible shooting over recess in Kyle and Lochalsh, and indeed in Liverpool. I trust that the families will be fully supported.

Let me congratulate the Prime Minister and her family on her appointment, but I am sorry to say that her reputation for straight talking is falling apart at the first PMQs. After nine questions, she has still not told us who will pay for her energy plan. Today, the public are waiting to find out the response to the economic crisis, and they want answers. Will she finally answer two very simple questions? Will she freeze energy prices at their current levels, and will that be paid for by a windfall tax—yes or no?

The Prime Minister: No, it will not be paid for by a windfall tax. I do not believe that we can tax our way to growth. I want to see us using more of our UK energy supply, including more oil and gas from the North sea and nuclear power in Scotland. I hope I can count on the SNP's support for that.

Ian Blackford: On her first full day as Prime Minister, she has failed to rule out—[*Interruption.*]

Mr Speaker: Order. Let us hear the next question.

Ian Blackford: The Prime Minister may have changed, Mr Speaker, but it is the same old Tories shouting us down.

On her first full day as Prime Minister, she has failed to rule out a Truss tax on households and businesses. Instead of targeting the profits of massive corporations with a windfall tax, the Prime Minister's plan appears to be a decade-long raid on the bank accounts of ordinary taxpayers. These costs must not be passed on to consumers and businesses by deferring bills. The Government must announce an enhanced windfall profits tax, making sure that those oil and gas producers pay their fair share from excess profits. Does the Prime Minister understand that her first act as Prime Minister will now define her: a Truss tax that households and businesses will be paying for years to come?

The Prime Minister: I am not quite sure what the right hon. Gentleman's position is, because on one hand he does not seem to want oil and gas extraction from the North sea, and on the other hand he wants them to pay more taxes. Why does he not make up his mind?

Q13. [901391] **Chris Loder** (West Dorset) (Con): May I, too, warmly welcome my right hon. Friend to her seat as Prime Minister? Scottish Power, Bulb and E.ON are just three of the many energy suppliers that say they provide 100% renewable electricity, yet constituents of mine in West Dorset are baffled that the energy regulator allows those prices to rise on a par with oil and gas. Will my right hon. Friend confirm that she is on the side of the consumer in her energy policy, which we will hear about tomorrow?

The Prime Minister: I certainly am on the side of the consumer. We need to ensure that we deal with all the issues in the energy market and the way that energy is regulated. I will certainly be saying more about that tomorrow.

Colum Eastwood (Foyle) (SDLP): The Prime Minister should know by now that many people in the north of Ireland are starving and freezing in their homes. We need a tailored solution for Northern Ireland, but that is much harder to achieve because the Democratic Unionist party is refusing to form a Government at Stormont. The new Prime Minister has a choice to make: she can either be on the side of the DUP or on the side of struggling people in Northern Ireland. So whose side is she on?

The Prime Minister: I want to work with all parties in Northern Ireland to get the Executive and the Assembly back up and running so that we can collectively deliver for the people of Northern Ireland, but in order to do that we need to fix the issues of the Northern Ireland protocol, which has damaged the balance between the communities in Northern Ireland. I am determined to get on with doing that and I am determined to work with all parties to find that resolution.

Mrs Theresa May (Maidenhead) (Con): May I congratulate my right hon. Friend and welcome her to her position as the third female Prime Minister of the United Kingdom? Can I ask my right hon. Friend why does she think it is that all three female Prime Ministers have been Conservatives?

The Prime Minister: I thank my right hon. Friend for her fantastic question, and I look forward to calling on her advice from her time in office as I start my work as Prime Minister. It is quite extraordinary, is it not, that there does not seem to be the ability in the Labour party to find a female leader, or indeed a leader who does not come from north London? *[Laughter.]* I do not know what the issue is.

Q2. [901380] Rushanara Ali (Bethnal Green and Bow) (Lab): I, too, congratulate the Prime Minister on her appointment. Inflation is at a 40-year high; the NHS is on its knees, with 6.6 million people waiting for treatment; thousands of victims of sexual offences and violent crime are waiting for justice—not to mention the passport delays, a summer of chaos in our airports and our beaches covered in sewage. The Prime Minister has served in every one of the Conservative Governments responsible for this mess, so why should the British public trust her to clean up the mess that she has helped create?

The Prime Minister: I am determined that we deal with the issues facing us as a nation. We do have problems with our energy supply, due to the appalling war being perpetrated by Putin in Ukraine. That is why I will take immediate action to deal with the energy crisis; my Chancellor will take immediate action to reduce taxes and make sure we are growing our economy; and our new Health Secretary, who is also the Deputy Prime Minister, will take immediate action to make sure that people are able to get appointments with their GP and proper NHS services.

Mr Speaker: I call the Father of the House.

Sir Peter Bottomley (Worthing West) (Con): All sides of the House should wish to help the Prime Minister to be successful in tackling the problems facing the country.

When I raised one of them in July with the former Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), he said that I could talk to the Housing Minister, but the Housing Minister retired within 17 minutes of hearing that. *[Laughter.]*

Will this Prime Minister look at why the Planning Inspectorate is able to overturn councils' planned protections for green lungs?

And will she look at what is happening to the Goring Gap in relation to the A259 in the Worthing West and the Arundel and South Downs constituencies, because local councils have no role if they cannot protect what matters most to them?

The Prime Minister: I am a bit concerned about offering my hon. Friend a meeting with the Housing Minister, in case any ill should befall him. But my hon. Friend is right; there is not enough power in local hands at the moment. It is too easy for local councils to be overruled by the Planning Inspectorate, and that is certainly an issue that I expect my Secretary of State for Levelling Up, Housing and Communities to look at.

Q4. [901382] Hannah Bardell (Livingston) (SNP): According to the Prime Minister's new Deputy Prime Minister, one of the things that qualified her most for being PM, and was one of her greatest achievements, was the reintroduction of beavers. Now, I am all for the beavers, but given her flip-flopping on Brexit and her inability to understand global affairs, how can constituents of mine, such as Waz Abbas, whose energy prices will go from £7,000 to £37,000 a year, or Broadtex in Livingston—its prices will go from £50,000 to £250,000 a month—have any faith that she can tackle the oncoming humanitarian crisis? Is she going to come out of her den in No. 10 and take real action, or is she going to be as useless and corrupt as her predecessor, who has rocketed off to somewhere in the Pacific? *[Interruption.]*

The Prime Minister: I am determined to tackle the issues we face in energy, and I look forward to the Scottish Government playing their part by building new nuclear power stations.

Mr Speaker: Order. I want a nicer Parliament and that question was not a good example. I certainly do not want the word "corrupt" being used against the new Prime Minister. *[Interruption.]* I am sure that the hon. Member for Livingston (Hannah Bardell) will withdraw that comment.

Hannah Bardell: Sometimes the truth hurts, but I am happy to withdraw it.

Victoria Atkins (Louth and Horncastle) (Con): May I warmly congratulate my right hon. Friend and welcome her to her place, but may I also wish her the very best with the heavy responsibilities that she now bears? Around 1.5 million households across the countryside rely on heating oil in order to keep their homes warm and cook their meals. They have faced price rises of around 130% in recent months and they are not part of the energy price cap. As rumours abound about what tomorrow's statement may hold, will she confirm that those 1.5 million households—many of them in rural areas such as my constituency—will be specifically included in any mooted ideas about an energy price freeze?

The Prime Minister: My hon. Friend is right. Many of my constituents, too, rely on heating oil for their fuel. We need to make sure that we are looking after everybody in this very, very difficult winter that we are facing.

Q5. [901383] Martyn Day (Linlithgow and East Falkirk) (SNP): Hon. Members may be familiar with the work of Bo'ness firm Ballantine Castings, an iron foundry in operation since the 1820s that in recent years has done much work around the parliamentary estate. Without the protection of an energy price cap, this specialist SME is witnessing unaffordable costs, with bills rising from £13,000 to £120,000 per month. Heavy energy users face a disproportionate burden and clearly need more support than other businesses. What will the PM do to protect our strategically important and energy-intensive industries?

The Prime Minister: I very strongly agree with the hon. Gentleman that there are strategic industries that use a lot of energy. We need to do all we can to help them become more energy-efficient, but we also need to make sure that they are able to remain competitive in the global marketplace. That is certainly something that the Secretary of State for Business, Energy and Industrial Strategy is looking at in preparing this package.

Dr Kieran Mullan (Crewe and Nantwich) (Con): May I congratulate the Prime Minister on her appointment and tell her that I know my constituents want her to succeed at a difficult time? Outside the immediate challenges of energy and inflation, levelling up remains a priority for them. One way to demonstrate her commitment to levelling up would be to choose a town such as Crewe to host Great British Railways. Will she ensure that levelling up is at the heart of that decision?

The Prime Minister: Crewe is, of course, a great railway town—my hon. Friend is absolutely right. I am not going to prejudge the decision that will be made, but what I will be doing as Prime Minister is absolutely focusing on levelling up and making sure that we are attracting the investment and growth into parts of this country that have been left behind, so that they have their fair share of opportunity.

Q6. [901384] Alex Davies-Jones (Pontypridd) (Lab): The new Prime Minister is now finally in post, but make no mistake: she does not have the support of the British public. She cannot even rely on the backing of her own MPs, and people in Pontypridd will never forget that she played a key role in a Government who failed millions, so will she now finally do the right and decent thing and call a general election?

The Prime Minister: As a country, we are facing a very serious crisis in energy, caused by Putin's war in Ukraine. We are facing—*[Interruption.]*

Mr Speaker: Order. The hon. Member for Stoke-on-Trent North (Jonathan Gullis) is getting very carried away. I know that as a former teacher he will want to show better behaviour than he is showing at the moment.

The Prime Minister: We are facing very serious issues as a country, partly as a result of the aftermath of covid and partly as a result of Putin's war in Ukraine. What

the British people want is a Government who are going to sort it out, and that is what I am determined to do as Prime Minister: sort out the energy crisis, get our economy going and make sure that people can get doctors' appointments. That is what I am focused on.

Nick Fletcher (Don Valley) (Con): I congratulate my right hon. Friend on her position as Prime Minister, but I would also like to thank her for her support for my campaign to keep Doncaster Sheffield airport open. Will she now help further by writing to South Yorkshire Mayor Oliver Coppard and Peel Holdings chairman John Whittaker to remind them of their powers, duties and responsibilities to the people of South Yorkshire and beyond? Will she use the full weight of her office on these decision makers to keep our Doncaster Sheffield airport open?

The Prime Minister: Regional airports, including Doncaster Sheffield airport, are a vital part of our economic growth. I will make sure that the new Secretary of State for Transport is immediately on the issue.

The Secretary of State for Transport (Anne-Marie Trevelyan) *indicated assent.*

The Prime Minister: I can tell that she is—she is already contacting people in Doncaster and Sheffield to make sure that we protect the airport and protect that vital infrastructure and connectivity that helps our economy to grow.

Q7. [901385] Helen Morgan (North Shropshire) (LD): I, too, welcome the Prime Minister to her new post. During her leadership campaign, she said that ambulance waiting times in her rural Norfolk constituency were “appalling”, and I think that many of my constituents would echo that statement. Across Britain, waiting hours and hours for an ambulance has become normal, but rather than the Government focusing on the problem, a Conservative leadership fiasco has seen three Health Secretaries in three months. Will the Prime Minister get a grip on this grave situation, and commission the Care Quality Commission to investigate the causes of, and the solutions to, these ambulance delays before a service in crisis faces the additional pressures of an oncoming winter?

The Prime Minister: People should not have to wait as long as they are for ambulance services, and my new Health Secretary is immediately tackling this issue. She has already laid out her priorities, and sorting out the ambulance service is one of them.

Dame Caroline Dinenage (Gosport) (Con): May I, too, warmly welcome our new Prime Minister to her role, and indeed all her Front Benchers to theirs?

September is Childhood Cancer Awareness Month, and, as my right hon. Friend knows, cancer is still the biggest killer of children under the age of 14. Will she restate her Government's commitment to publishing a 10-year cancer strategy, and can that strategy embed a childhood cancer mission at its very heart?

The Prime Minister: Cancer is a devastating disease, and it is particularly heartbreaking when children have cancer. We will certainly proceed with the strategy that

my hon. Friend has mentioned, and I know that our new Health Secretary will do all she can to help those children with cancer.

Q8. [901386] **Tony Lloyd** (Rochdale) (Lab): On the theme of children, the Prime Minister will know from her time as Children's Minister that children whose young lungs are exposed to cold and damp housing are more likely to fall seriously ill and possibly die. Child poverty has been growing during her time in different ministerial offices. Will she give a solemn pledge—with no evasion—that no child will go to bed in a cold, damp house this winter and beyond because the parents cannot afford to put the heating on?

The Prime Minister: This is why it is so important that we tackle the issue of energy. I will make sure that people are able to afford their energy bills, at the same time as dealing with the long-term supply issues to ensure that we are resilient in energy and never get into this position again.

Shailesh Vara (North West Cambridgeshire) (Con): It is standard practice in the European Union that when it cannot get its own way in negotiations with the UK, it plays for time and waits for a new leader who it hopes will take a different view from his or her predecessor. For the sake of clarity, will my right hon. Friend confirm that the UK's preferred option in respect of the Northern Ireland protocol is a negotiated settlement, but that if such a settlement is not forthcoming, we will proceed with the Northern Ireland Protocol Bill which is currently going through Parliament?

The Prime Minister: Let me first thank my right hon. Friend for his service as Northern Ireland Secretary. He is absolutely right: we need to resolve the issue of the Northern Ireland protocol. My preference is for a negotiated solution, but it does have to deliver all the things that we set out in the Northern Ireland Protocol Bill. What we cannot allow is for this situation to drift, because my No. 1 priority is protecting the supremacy of the Belfast/Good Friday agreement.

Q10. [901388] **Rachel Hopkins** (Luton South) (Lab): The new Prime Minister tells us that she will deliver on the NHS. Well, that is a turn-up for the books, because after 12 years of Conservatives driving our NHS into the ground, we have record waiting lists, people dying in ambulances outside A&E, and nurses using food banks. Given that the Prime Minister has served in the past three Conservative Governments on that watch, can she explain why we should trust her to deliver?

The Prime Minister: I do not agree with the way the hon. Lady is talking down our national health service. The fact is that our health service did brilliantly in tackling covid, in delivering the vaccine roll-out and in getting this country back on its feet, but we do face

challenges now with the backlog following covid, and that is why the new Health Secretary is going to work to address those challenges.

Sir Jeremy Wright (Kenilworth and Southam) (Con): I congratulate my right hon. Friend on her appointment and recognise her determination to address the many urgent and difficult challenges that face us now. Would she accept that one of those challenges is an almost entirely unregulated online space? Would she accept too that no responsible Government can avoid the need for excellent, balanced, sensible regulation in this space? Will she therefore assure me that the Online Safety Bill will come back to this House swiftly for us to consider further and amend if necessary?

The Prime Minister: I can assure my right hon. and learned Friend that we will be proceeding with the Online Safety Bill. There are some issues that we need to deal with. What I want to make sure is that we protect the under-18s from harm and that we also make sure free speech is allowed, so there may be some tweaks required, but certainly he is right that we need to protect people's safety online.

Q11. [901389] **Helen Hayes** (Dulwich and West Norwood) (Lab): The Prime Minister has been part of a Government who for the past 12 years have been systematically letting down the most vulnerable children in the country. The independent review of children's social care, published by the Government in May, describes the system as being in need of a total reset. The Prime Minister has said that she wants to deliver. Will she make a cast-iron commitment to deliver for our country's most vulnerable children, and publish the Government's response to the independent review and an action plan for delivery, before the end of the year—yes or no?

The Prime Minister: Yes.

Dame Andrea Leadsom (South Northamptonshire) (Con): I would like to congratulate my right hon. Friend and her whole Front Bench, and wish them every success in the new Government. I would particularly like to thank my right hon. Friend for her steadfast commitment to support for the earliest years throughout the 12 years that she and I have worked together for three previous Prime Ministers. Can I ask her now to renew her commitment to rolling out "The best start for life", to give every baby the best chance of leading a fulfilling life?

The Prime Minister: My right hon. Friend has done such a fantastic job championing this issue and developing the policies, and I am committed to following through on delivering for children, because we know that intervening early and helping children early is the best way to help those children to have a successful childhood and, ultimately, a fulfilled life.

Avanti West Coast

12.38 pm

Navendu Mishra (Stockport) (Lab) (*Urgent Question*): To ask the Secretary of State for Transport to make a statement on the future of Avanti West Coast railway services.

The Minister of State, Department for Transport (Trudy Harrison): The current west coast franchise agreement is due to expire on 16 October. As with all contract awards, the Government will act in accordance with the Railways Act 1993 section 26(1) franchising policy statement, and a decision has yet to be taken by the Secretary of State. Given the market and the commercially sensitive nature of the outcome, further information cannot be provided at this time.

Like all operators, Avanti has used a degree of rest-day working to operate its timetable. In essence, this means that drivers have been volunteering to work the additional shifts over and above their contracted hours. The industry arrangement has been in place for many years, to the benefit of the drivers, the operators and indeed the passengers. Avanti has a rest-day working arrangement that remains in place with the ASLEF union, which represents about 95% of the drivers.

However, on 30 July this year Avanti experienced an unprecedented, immediate and near total cessation of drivers volunteering to work passenger trains on their rest days. This left Avanti unable to resource its timetable and, in the immediate term, resulted in significant short-notice cancellations. Avanti has reduced its timetable in response to the withdrawal of rest-day working. Reducing the timetable provided better certainty and reliability for passengers as it reduced the number of short-notice cancellations.

The Department continues to work closely with Avanti to monitor performance, while Avanti continues to review the demand data and the position regarding train crew availability to inform options to reliably increase services. An increase in services between Manchester and London remains an absolute priority and Avanti will continue to look for opportunities to support passengers and businesses along the route.

Navendu Mishra: I am grateful to you, Mr Speaker, for granting this urgent question. It is disappointing that the Secretary of State is not here, as this issue impacts millions of people in our constituencies.

Many of us saw the chaos at Manchester Piccadilly, London Euston and several other stations over the summer as Avanti West Coast slashed its timetables and suspended ticket sales at short notice, cutting key towns and cities off from each other. Now, in September, the problem has persisted and the chaos continues to blight the lives of thousands of people not only in my constituency but across the north-west of England and other parts of the UK. Avanti says that this has been caused by “unofficial strike action” and

“the current industrial relations climate”—

phrases that serve only to abdicate management responsibility for ensuring that the trains are properly staffed.

ASLEF and National Union of Rail, Maritime and Transport Workers members across the country have indeed recently been on strike in defence of their pay,

terms and conditions—I pay tribute to those members for doing so—but their strike action has no bearing on the fact that Avanti has a business model that expects train drivers to work their rest days as a way of maintaining the service, rather than having sufficient staffing levels.

We know that there have been underlying problems at Avanti for a long time. Figures from the Office of Rail and Road for the first three months of the year show that Avanti's performance was already behind that of other franchises, such as those on the great western and east coast main lines. The company was paid £17 million in performance and management fees from the public purse in just two years, including for “operational performance”, “customer experience” and “acting as a good and efficient operator”.

Anyone who has been on Avanti trains knows that that is absolutely untrue.

Now, customers are unable to purchase return tickets when seats for one leg have not been released, forcing people to buy two singles or open returns at greater cost; there continues to be a lack of clarity and certainty around the release of tickets; and many outlets still say “sold out”, leading people to believe there are no tickets left. My constituents, and all those who use this vital service, need and deserve clarity. We have seen poorer performance, with the threat of the closure of ticket offices, yet higher fares. It simply does not add up.

The previous Prime Minister and his Government preached levelling up, but by failing to address this crisis the Government are causing huge economic damage to Stockport, Greater Manchester and other areas across the north. As cleaners, guards, drivers and other rail staff work hard to provide a good service, the company and its management continually let the public down.

Did the former Secretary of State, the right hon. Member for Welwyn Hatfield (Grant Shapps), approve the decision to cut Avanti's timetable? Could the Minister tell the House who is incurring the revenue loss following the cuts to Avanti's timetable—the train operator of the taxpayer? When will the Department for Transport come up with a proper plan to end this chaos so that the route is properly up and running again? Rail passengers deserve much better.

I am very grateful to you, Mr Speaker—thank you.

Mr Speaker: And so you should be!

Trudy Harrison: The hon. Gentleman raised a number of points. I completely understand the frustration and disappointment, but more than anything the need to give passengers the confidence in our rail sector to know that their train services will be safe, affordable and reliable.

This is a long-standing challenge. As I have already set out, the rest-day working agreement has been in place for many years, but it is a way of working that can no longer continue in a modern-day rail service. Part of the challenge is with recruitment and retention, which is why we are working to improve the gender balance among drivers, which is woefully low, and to improve the age diversity of drivers. When the average age is 51 years and the average age of retirement is 59, we clearly have a problem with retention. That is where we are focusing our efforts, in partnership with Avanti and all train operators.

Mr Speaker: I call the Chair of the Select Committee, Huw Merriman.

Huw Merriman (Bexhill and Battle) (Con): I am grateful to you for granting this urgent question, Mr Speaker. At the heart of this are the passengers who are losing out yet again, and I absolutely agree with the Minister that we cannot run the rail system in such an antiquated fashion, with train operators not able to fix in advance when their staff will be rostered. I hope there will be some changes on that. The transport Bill and the formation of Great British Railways will provide many of the solutions to transform the railways. Is the Bill's Second Reading still on track to be delivered this autumn?

Trudy Harrison: Great British Railways was a manifesto promise and that will continue. We are working with the House to secure the time and support required to continue with that legislation.

Mr Speaker: I call the shadow Secretary of State, Louise Haigh.

Louise Haigh (Sheffield, Heeley) (Lab): Thank you for granting this important urgent question, Mr Speaker.

Avanti West Coast's decision to slash services on the UK's busiest rail route has left passengers facing chaos; it has lost more than 220,000 seats per week between our major towns and cities. The damage that this shambles is doing to the regional economy and the public purse is enormous, yet, incredibly, it was signed off by the Government. Ministers have let this failing operator get away with appalling performance for far too long: the fewest trains on time; more complaints than any other operator; and a wholesale failure to train new drivers. A serving Transport Minister in the Lords has admitted that its performance is "terrible".

Despite that, this Department has handed tens of millions of pounds of taxpayers' money in performance and management fees, which have then been pocketed by shareholders, including—you could not make this up—a £4 million bonus for "customer performance". What passengers need to hear today is a plan to get this vital line back on track, because those who rely on this service are tired of excuses. It is not sustainable or reasonable to continue to rely on the good will of drivers to work on their rest days, so will the Minister demand an urgent plan from the operator to restore the timetable, as she is perfectly entitled to do under the contract? Will she commit to claw back taxpayers' money for services that have not run? Will she tell the House why, despite a contractual obligation to train new drivers, Avanti has comprehensively failed to do so? Above all, will she ask the new Secretary of State to guarantee that there will be no more reward for failure and to strip Avanti of its contract when it comes up for renewal next month? This ongoing fiasco is causing real damage to the economy, passengers and the public. The Ministers must stop washing their hands of responsibility and, finally, intervene.

Trudy Harrison: I completely agree with the shadow spokeslady on the need to modernise the workforce. People volunteering to work rest days is no longer a sustainable way to run the rail sector, and that is what we are tackling. On timetabling, however, it is surely better to provide certainty over uncertainty. The timetabling decision was made so that at least passengers could be

provided with the confidence that the trains they see on the timetable will be running—they certainly were not previously. She will know that the rewards decision is an independent decision, and in some aspects Avanti performed well and in others it certainly did not. As I am sure she will know, the decision to be taken on 16 October is a commercially sensitive one, which I will not discuss, not least because I am not the rail Minister. I have every confidence, because the Secretary of State said so yesterday evening, that she will be meeting stakeholders, including those in the rail sector, and a new rail Minister will be appointed very shortly.

Sir William Cash (Stone) (Con): I congratulate my hon. Friend on her response to this urgent question. The blame lies on both sides: the unofficial strikes are completely unwarranted and are causing immense trouble for my constituents, who are given the most appalling treatment as a result of those strikes. Furthermore, Avanti itself has got to get its act together, and get it together soon. I have been using this line on the west coast for 37 years, since I first came into Parliament, and I have never seen it in such a state as it is in at the moment. Finally, as HS2 is part of this argument, I just want to say that it is a white elephant, and I hope the Prime Minister will get rid of it as soon as possible, certainly from Birmingham northwards.

Trudy Harrison: As ever, my hon. Friend makes excellent points. I wholeheartedly agree that the situation is untenable and needs to be improved. I also travel frequently—indeed, most weeks—on my journey down to London on Northern, TransPennine and Avanti services into London Euston, so I share the challenges and the pain that those undertaking journeys to Birmingham, Liverpool, Glasgow Central and Manchester are currently enduring. That is why we are working hard in the Department for Transport with our train operating companies, particularly on the matter of recruitment, diversity and retention, to ensure that we have train drivers who are trained so that we can operate a safe, affordable and reliable service in future.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The inflammatory tone and language the outgoing Secretary of State used regarding the ongoing industrial relations dispute has been echoed by many operators, including Avanti. That is very much to be regretted, and I hope that new leadership changes this.

Reports last week suggested that Avanti was being considered for a long-term contract award. Is there any truth to those reports, and what discussions are taking place about using the operator of last resort to take over services? Avanti paid out £11 million in dividends to shareholders last year, 30% of which went to the Italian state-owned operator Trenitalia. It is a clear sign of the failure of privatised rail operators when profits are being used to subsidise public transport in Italy, rather than the UK, so what discussions are being had with the Scottish Government about the situation at Avanti and, more broadly, how Scotland was able to nationalise our franchise and how DfT can learn from that process?

A quarter of TransPennine routes are also being suspended next week, in addition to the Avanti crisis. This is becoming a critical situation for Scotland and the north of England. Where does that leave the integrated

rail plan? Lastly, what assessment have the Government made of the economic impact on the north of England and Scotland of Avanti and TransPennine scrapping their services?

Trudy Harrison: I understand the challenges, particularly on that Glasgow Central train, which I travel on as well. All options are on the table for the discussions on 16 October as to how we will proceed, but information about those discussions is commercially sensitive at the moment.

Chris Loder (West Dorset) (Con): I thank my hon. Friend for her statement to the House. Given that ASLEF, the train drivers' union, has pumped in a quarter of a million pounds to the Labour party, does she also call on Opposition Members to condemn these strikes? Those who have a lot to say should make clear their other interests, which I am not sure they have done so far.

Trudy Harrison: My hon. Friend speaks from experience and makes an excellent point. I think all of us across this House want the same thing: for passengers to be sure that they can enjoy a safe, affordable and reliable train service. As to how we are moving forward, when 95% of train drivers are represented by ASLEF and the remaining train drivers are predominantly represented by the National Union of Rail, Maritime and Transport Workers, any of us in this House with communication channels open to those unions could make the point that the way we will have a sustainable rail sector in future, with more passengers travelling by train, is for those passengers to be confident that those trains will be driven, whether or not it is a rest day.

Maria Eagle (Garston and Halewood) (Lab): The Minister said that she would prefer passengers to have certainty, rather than uncertainty. I think we would all agree, but the only certainty for passengers at the moment is that they still cannot book a seat on Avanti services on virtually any weekend between now and November. When will the Government demand a legally binding plan—as they are entitled to do under the contract—to restore the timetable, and when will that proper timetable be restored?

Trudy Harrison: I understand the challenge, but however we cut this cake, we need the same ingredients: we need train drivers to drive the trains. There is a finite number of qualified, trained train drivers who can drive those routes, and it takes on average two years to recruit and train a train driver. Avanti has a particular challenge because it only had the contract for 16 weeks before we, the Government, stepped in on 1 March. That is not an excuse—I am just pointing out the facts to the hon. Member for Garston and Halewood (Maria Eagle). That is what we are dealing with; that is the challenge that my Department, Avanti and, indeed, all train operators face. This challenge is not limited to just Avanti: it is affecting all train operators at the moment, which is why we are so focused on the solution.

Mark Pawsey (Rugby) (Con): The service provided by Avanti on the west coast is incredibly important to my constituents in Rugby, especially as the railways are shifting towards being used more for leisure than for

business commuting. Does the Minister agree that part of the solution to the problem is to get train drivers who work in a service that operates seven days a week to work to the same terms and conditions as workers in hospitality, health and care, and elsewhere who also serve the public at weekends?

Trudy Harrison: My hon. Friend is absolutely spot on. Of course trains need to operate seven days a week, which is why the system of train drivers volunteering to work on those rest days is no longer sustainable. A 35-hour shift and volunteering to work rest days, while it has provided considerable extra income for train drivers, is no longer sustainable. That is exactly what we will tackle through the modernising workforce programme and Great British Railways.

Graham Stringer (Blackley and Broughton) (Lab): The Minister talks about partnership with Avanti. May I suggest to her that, if she looks at it objectively, that partnership is not working, and the best thing she could do is plan to get out of it? She should sack Avanti, which is not only not running services to Manchester—it has cut those services by two thirds—but, when it eventually gets passengers on to its trains, drops them off at unpersoned stations in an unsafe position. This is not just about running services: Avanti is a dreadful company, and should not continue with this franchise.

Trudy Harrison: As I set out previously, Avanti has particular challenges that other train operating companies do not, in that it took over from Virgin and had 16 weeks before the pandemic hit. The very nature of training drivers requires close contact in a cab, which has prevented Avanti from being able to recruit and train the necessary number of drivers. Again, that is not an excuse; it is the reality of the situation.

I met with Avanti and the West Coast Partnership yesterday at the Women in Transport event, where we discussed the need to improve the current 12% level of women train drivers. When 51% of society is women, the train driving sector and the transport sector more widely are clearly missing out on incredible talent across this country. We are talking to Avanti about how they will recruit those train drivers, because whoever runs these trains, they do need to be driven.

Mr David Jones (Clwyd West) (Con): There is now, at best, one through train per day from Holyhead to London. Any travellers from north Wales who wish to go along the north Wales main line have to change once, or perhaps twice; in other words, the north Wales main line has been reduced to the status of a branch line. Whether that is the fault of Avanti—and I am bound to say that I do attribute a lot of blame to Avanti—it is an unacceptable state of affairs for the travelling public of north Wales, so can my hon. Friend give her best estimate as to when a decent train service will be restored to north Wales?

Trudy Harrison: My right hon. Friend is absolutely correct: the service to north Wales is unacceptable. That is why the decision that will be taken on 16 October will bear in mind how swiftly we can improve that service to north Wales and, indeed, all the other stations that Avanti West Coast connects people to.

Mick Whitley (Birkenhead) (Lab): Avanti West Coast is causing chaos for my constituents, who are still unable to book a seat on virtually any weekend between now and November. When I contacted the Secretary of State's predecessor about this issue over the summer recess, his Department had the temerity to blame the disruption on unofficial strike action rather than on Avanti's woeful failure to recruit new train drivers. Those claims have been rightly denounced by the rail unions as untrue. Will the Minister today commit to making a clean break with the failures of the past by refusing to reward failure and by stripping Avanti of its franchise unless immediate action is taken to restore the timetable?

Trudy Harrison: All options remain on the table, and the decision will take place on 16 October. I think I have already set out the acute challenges that Avanti faces and I make the point again that it takes, on average, two years to train a train driver. These things cannot be resolved overnight. A long-term programme is needed to recruit train drivers to the rail sector.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I have previously expressed my concern that, having built up an extensive timetable to Lockerbie station, which is served by both Avanti and FirstGroup, passenger confidence has been completely undermined by the unreliability of services. TransPennine is part of FirstGroup, which is also part of the Avanti partnership. I do believe that some blame lies with First and the way in which it is managing these franchises. Does my hon. Friend agree that it urgently needs to not just get rid of the managing director of Avanti, but address its part in making sure that services are available and that passengers, particularly in a rural area in Scotland such as the one that I represent, can be confident in the reliability of services?

Trudy Harrison: Absolutely. I, too, live in a rural area and recognise how important a safe, reliable and affordable rail service is for passengers, especially when they do not have other options. I reiterate that a decision will be taken on 16 October. All options remain on the table. There is no excuse for Avanti's inability over recent years to recruit sufficient numbers of train drivers. However, we do have a finite number of train drivers in the UK, and so recruiting more train drivers must be our priority. The most important thing is to recruit more people into the transport sector. We can all play a part in that. There are fantastic careers and brilliant qualifications in the transport sector, as I learned yesterday at the women in transport event. My message to all parliamentarians is to work with me in the Department for Transport to convey the great opportunities and careers that are available in the transport sector and also for train drivers.

David Linden (Glasgow East) (SNP): I declare an interest as vice-chair of the west coast main line all-party parliamentary group and as someone who spends a huge amount of my life on the west coast main line. If we follow the logic of the Minister's argument that some of this comes down to staffing and the workforce, would she agree that the Department for Transport and Avanti have to move away from the anti-union rhetoric that was perpetuated so often by the former Secretary

of State? We have heard today, in several contributions, Members talking nonsense about unofficial strikes. If she thinks that the workforce is the most important element here, how does that inflammatory language help the situation?

Trudy Harrison: I certainly have not used inflammatory language. My husband is a member of the GMB union and I believe that my salary contributes every month to its upkeep.

On the west coast main line, 500,000 seats are still provided every week. Yes, we have seen a dramatic reduction, but I do agree that we need to work with all partners and all stakeholders to resolve this urgent situation for the benefit of passengers, to decarbonise the transport sector, to reduce emissions, to cut the congestion on our roads and to ensure that we have a sustainable, safe, affordable and reliable train service in the future. That is common sense.

Andy Carter (Warrington South) (Con): I am grateful to the Minister for her update. I, too, met Avanti representatives last week. They told me that they had reduced the number of trains from Euston from nine to four an hour. My constituents are telling me that they are unable to get advance tickets more than three days before travel. Will the Minister take some practical steps with Avanti and, now that it has a core emergency timetable, ask that it release advance tickets further in advance—perhaps at least three or four days in advance of when people need to travel—so that constituents know that they can travel with some certainty?

Trudy Harrison: My hon. Friend makes a brilliant point. I will ensure that the new Secretary of State hears that suggestion and that we work with Avanti to be able to provide those advance tickets, giving passengers that certainty as soon as possible.

Cat Smith (Lancaster and Fleetwood) (Lab): When just 53% of Avanti trains are arriving on time, it comes as no surprise that I have been inundated with complaints. I have lost count of the number of constituents who have been in touch with me really frustrated by their experience of Avanti. They talk of trains being cancelled, trains being delayed, and seats being double booked. Does the Minister think that the £4 million bonus that Avanti got for customer satisfaction and performance would perhaps have been better spent on driver recruitment and training?

Trudy Harrison: Any performance fees that are being referred to relate to last year's service, not this one.

Simon Fell (Barrow and Furness) (Con): As my hon. Friend and constituency neighbour well knows—she often travels on the same train as me between London and Cumbria—the quality and quantity of services have dropped significantly. These short-term cancellations are really affecting our constituents. They are missing their connections with Northern, which, by the way, is experiencing similar issues on its line. Whether these problems are down to unofficial strike action or problems with Avanti and Northern management, will my hon. Friend assure me that the new Secretary of State will be getting a grip on this issue so that our constituents do not have to live with this for much longer?

Trudy Harrison: Absolutely. I understand the challenges, particularly on the Cumbrian coast line. I have spoken to passengers who have suffered the pain of having their last train cancelled. I for one would like to see that policy come to an end. That is why we have taken the difficult decision to reduce the timetable so that we can provide certainty and avoid people expecting a train to be running and then being told at the last minute that it will not run. That is in nobody's best interests. On whether these are unofficial strikes, the reality is that, for something like 20 years, train drivers have been happy to work their rest days. The fact is that they are now no longer willing to do so, which has taken out of service around 40 of the 50 drivers who regularly work their rest days. We can all appreciate the immediate challenge that that has placed on Avanti, which, as I understand it, is the only train operating company to have endured such a harsh, urgent and immediate step by their train drivers.

Mike Amesbury (Weaver Vale) (Lab): Passengers are sick and tired of delays, cancellations, reduced timetables, and an inability to book tickets in advance. We have a bizarre situation where Avanti received £4 million as a reward for customer service. It is now time for the Minister and the new Secretary of State to intervene and remove the franchise from the company and put in place a publicly owned and publicly controlled franchise.

Trudy Harrison: So the hon. Gentleman says. I am not so convinced by what he says. There have been considerable benefits from the privatisation of the train sector. We have seen a doubling of passengers and many, many improvements. Nobody is saying that the current situation is acceptable. That is why we are looking at this and why all options remain on the table, but I am not quite as convinced as he might be about the solution.

Michael Fabricant (Lichfield) (Con): I thank the hon. Member for Stockport (Navendu Mishra) for tabling this urgent question. Even though Avanti has a reduced timetable, it has not provided reliability. It is still cancelling trains and it still will not take advance bookings. Whether it is ASLEF and its actions, which are not helpful, or the effect of covid and many drivers' not coming back to work, my hon. Friend the Minister is quite right to acknowledge that Avanti's system of running its business is the main aggravator. We must put out thanks from my constituents in Lichfield, who at least are able to use London Northwestern Railway, which after a shaky start is now providing a very reliable service every hour down to London, but what steps can the Government take, perhaps in October, to ensure that the position with Avanti does not remain as it is?

Trudy Harrison: I agree with my hon. Friend that many train operators are providing a much better service than Avanti, and I am grateful that that is the case. We will learn from them and we will continue to speak to, challenge and probe Avanti about exactly how it will come to an agreement with its workers to ensure that we have sufficient train drivers to drive the trains as soon as possible. We recognise the importance of having a safe, affordable and reliable train service.

Afzal Khan (Manchester, Gorton) (Lab): My constituent Lucy contacted me this week to express her concerns. Trains to London have been reduced to one per hour and are regularly at full capacity, yet ticket costs keep rising. Some constituents say they have been unable to accept work or cannot visit family because of Avanti's poor service. Does the Minister agree that that is unacceptable? If so, why are the Government considering renewing Avanti West Coast's contract in October?

Trudy Harrison: We are considering all options, and all options remain on the table. Withdrawing Avanti's contract is one of those options, but we must bear in mind all the implications of that. As I said earlier, we can cut this cake however we want, but ultimately we need the drivers to be driving the trains. That must be the absolute priority. One service an hour is completely unacceptable.

Taiwo Owatemi (Coventry North West) (Lab): Across the west midlands and in my city of Coventry, commuters have faced a summer of nightmare travel disruptions, causing untold damage to the local economy. Commuters across Coventry deserve to be able to travel without facing delays caused by the Government's inaction. When will the Minister finally hold the management team of Avanti West Coast to account for failing to provide an adequate service to commuters in Coventry?

Trudy Harrison: I fear I am repeating myself. I have said consistently that those conversations, that probing and that challenge are happening right now across the Department and a decision will be taken on 16 October this year.

Hywel Williams (Arfon) (PC): The train service to Bangor in my constituency was never great, but now it is dire, with trains cancelled, trains late, trains packed, ticket prices sky-high and no reliable service to and from London. Visitors to north Wales are abandoning the train in Crewe and taking to their cars, and my constituents are driving all the way to London rather than taking the train. So much for Union connectivity—so much for green travel. Is it not clear to the Minister that Avanti West Coast should lose the franchise and be replaced with a public service as in other, more developed countries such as Germany?

Trudy Harrison: While I have deep sympathy with the hon. Gentleman's constituents, and indeed with everybody who has endured the pain of an unacceptable, unreliable train service for far too long, I also want to point out that we are working with Avanti and all train operating companies, which have had a particularly difficult time during the pandemic. I agree that it is unacceptable that people should feel the need to drive all the way from north Wales to London, because that flies in the face of our decarbonisation targets, adds to congestion, increases emissions and, frankly, is not the most pleasurable way to travel across the country.

I for one thoroughly enjoy my train journey from my community down to London, and I want many more people across this country to travel by train. That is why we have taken the steps we have, not only to challenge Avanti and all train operating companies on their recruitment, their diversity, on improving the fact that only 12% of train drivers are women and the fact that

[Trudy Harrison]

the average age is approaching the average retirement age, but to relay to the public the advantages of travelling by train, on which I am sure he can agree with me.

Bill Esterson (Sefton Central) (Lab): A number of times throughout this discussion, the Minister has agreed with hon. Members from across the House that Avanti is delivering a service that is simply not acceptable. Will she admit that her Department's only logical step to improve that service must include removing the franchise from Avanti?

Trudy Harrison: While it is my job to answer the questions, my question to the hon. Gentleman would be: "Where are the drivers going to come from?" That is the challenge here. However we cut this cake, the ingredients are the same. We need drivers to drive the trains, and that is what we are focused on.

Patrick Grady (Glasgow North) (Ind): The Government seem to think that state ownership should not be necessary, but, as my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) pointed out, much of the UK's railways are already in state ownership—the states of Germany, the Netherlands and, in the case of Avanti West Coast, Italy. Is it not time that the Government learned lessons from Scotland and followed the Scottish Government's example by bringing the railway operators and any profits they might make back into public ownership?

Trudy Harrison: The reality is that we, the state, are currently paying for the train service, because it is unsustainable for train operators to pay for it themselves. I will take deep interest in comparing and contrasting ScotRail with other train operating companies; if there are lessons to be learned, I welcome them. All options are on the table, and the decision will be made on 16 October about which option will best serve our passengers, who are the most important people in this discussion.

Barbara Keeley (Worsley and Eccles South) (Lab): I want to highlight to the Minister the impact of Avanti's cuts in service to one per hour from Manchester to London, and of passengers being unable to book at weekends. A young constituent of mine who is a wheelchair user was due to travel to London next Sunday. She is nominated for a Shaw Trust Disability Power 100 list award. She has had weeks of uncertainty and now she has to travel by coach and car. There will be many more people in that situation who need accessible transport. The Minister mentioned certainty, but there is no certainty in Avanti West Coast services or with this timetable. Will she and her Secretary of State now act, and recognise that Avanti has failed in the provision of rail services and that its contract should not be renewed?

Trudy Harrison: I spoke with a member of Andy Burnham's office yesterday at the Women in Transport event, along with Avanti and the West Coast Partnership members that were there. I have every sympathy; I am disappointed with the service and frustrated that the hon. Lady's constituent has had to endure such a difficult journey. The solution is to have train drivers working.

Whether we call this an unofficial strike action or not, a system whereby drivers were willing to work their rest days for extra pay has worked for nigh on 20 years, and with almost immediate effect one train company, Avanti, has not been able to persuade its drivers to work their rest days, resulting in about 40 out of 50 drivers who usually work their rest days not being willing to work more than 35 hours. I think I am setting out the challenge very clearly. Whether the franchise is state owned or privately owned, the challenge remains: these trains need to be driven, safely, by people who are trained. It takes two years to train a train driver. That is the challenge.

Paula Barker (Liverpool, Wavertree) (Lab): Today I think we have truly gone through the looking glass. We have heard from those on the Government Benches about unofficial strike action, but it is not unofficial, because the Trade Union Act 2016 makes sure that it is not. If Avanti thinks that it is, it has mechanisms to challenge it. The Minister has spoken about drivers working on their rest days, but the clue is in the title—it is a rest day, and there is no compulsion for a driver to do so. Does the Minister agree that the decision to award Avanti West Coast a £4 million bonus for operational performance, customer experience and,

"acting as a good and efficient operator",

would have been better spent on training and recruiting the new drivers she keeps going on about? Is it not time that Avanti was stripped of this contract?

Trudy Harrison: I reiterate the point that the decision on those awards is independent from Government, and was based on last year's performance data.

Andrew Gwynne (Denton and Reddish) (Lab): The Minister must understand that the problems at Avanti did not begin with the change to the timetable. Avanti has been a disaster for the communities on the west coast main line. It is not acceptable that we have just one train an hour from Greater Manchester to London; that we cannot book in advance; and that the cost of tickets is far more expensive than the equivalent on the east coast main line. Avanti has failed, so in October will the Minister look objectively at all the evidence and strip Avanti of this contract, because it has broken its deed and its word, which it gave to the Government when the contract was awarded?

Trudy Harrison: Of course we will look at all the evidence. One service an hour from London Euston to Manchester is completely unacceptable. I agree with that; I think that everybody agrees with that.

Justin Tomlinson (North Swindon) (Con): My hon. Friend the Member for City of Chester (Christian Matheson) and I are due to meet the rail Minister next week to discuss the Chester to London line, so I hope whoever the new rail Minister is will honour that meeting. We have been asking for a meeting for six months, during which time the service has gone from terrible to non-existent. When I asked the previous rail Minister why in those circumstances Avanti would be granted a new contract, I was told that it was important to do so to ensure value for taxpayers and continuity of services

for passengers. The question to the Minister is: how can we have continuity of services when we do not have any services?

Trudy Harrison: I will ensure that that meeting goes ahead as planned.

Margaret Greenwood (Wirral West) (Lab): One of my constituents has written to me to describe the chaos that she is experiencing. She travels on Avanti west coast to London for work on a fairly frequent basis. She explains that when trains are cancelled, particularly at short notice, the other trains are really busy. On one occasion she was on such a train. It was so busy that she could not get off to make her connection and she ended up going to London when she wanted to go to a completely different part of the country. Bearing in mind that level of chaos, why are the Government even considering renewing the contract with Avanti, and is it not time to bring our railways into public ownership?

Trudy Harrison: I am not convinced that bringing the railways into public ownership at this stage in the way that the hon. Lady has described will provide the solutions that passengers are looking for, and that is why we are going to look at all the evidence when making our decision on 16 October.

Alison Thewliss (Glasgow Central) (SNP): As the MP for Glasgow Central, I know that the cancellations and lack of reliability from Avanti have had an impact on business, leisure, tourism and the many events that Glasgow hosts. People have to travel for longer and they have to go through Edinburgh, for goodness' sake, which is a huge inconvenience and imposition. There is a particular difficulty for disabled people and those travelling with children when changing trains, so can the Minister tell us exactly why we have to wait until 16 October to get this sorted? Why can she not do more now?

Trudy Harrison: Avanti's decision to provide a reduced timetable was certainly part of the solution, although not a satisfactory one—far from it. I have said before that one train service an hour is not acceptable at all. I agree with the hon. Lady about disabled people and people travelling with children—I am a mum of four, and I remember when my girls were all under five what a challenge it was to travel by train on a good day. To endure delays and cancellations, and to be stuck on a platform with young children, or for people who are disabled, is doubly difficult. I have absolute sympathy with all rail passengers who have endured the trials and tribulations of delayed and cancelled trains. We feel the pain—I certainly feel the pain, because I am a frequent train passenger—which is why we are taking action to remedy this situation and provide passengers with confidence that they can be sure of a safe, reliable and affordable train service in future.

Tony Lloyd (Rochdale) (Lab): The Minister has varied between apologising and criticising Avanti. The one thing that she has not mentioned is the need to tell Avanti something very clear: get round the negotiating table with ASLEF and the other unions and sort out the industrial relations problem. It is a lousy employer, and a bit of industrial peace would move the railways forward.

Trudy Harrison: Again, it is common sense. That is already happening, which is why I am not calling for it. It needs to continue, and a solution needs to be found to provide an effective rail service—that is absolute common sense.

Wera Hobhouse (Bath) (LD): Is it not absurd that the Government are pouring billions of pounds into companies owned by other countries' Governments? Whatever the ownership of the companies, they are failing to deliver services but have been awarded multi-million-pound contracts by the Government. Avanti is supposed to run HS2. Should that really happen in the light of the catastrophic delivery failures, and will the Government look at a new operator for HS2?

Trudy Harrison: I repeat that all options are on the table. The decisions on HS2 are a bit further away. As HS2 Minister, I can say that we are having those conversations. I am certainly speaking with Avanti and visiting all phases of HS2, both in development and in construction. Those conversations are live.

Kate Green (Stretford and Urmston) (Lab): The service is a disgrace. Does the Minister understand that there is an urgent need for a solution—not a solution in two years' time—and that it would be quite unconscionable for this failing company to be re-awarded the franchise in October? May I just say that it is for the Government to grasp the urgency of this situation? If Avanti and no other operator can run this service, may I gently point out that the east coast main line, which was taken into public ownership, runs more efficiently and reliably, and the fares are cheaper?

Trudy Harrison: The hon. Lady makes fair points on the comparisons with other train operators, and we will take that into consideration as we make the decision on 16 October. To reiterate, that is 16 October this year, not 2024—we are not waiting two years to make a decision.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): It is highly regrettable that the Minister has blamed workers in relation to this particular mess. May I recount a story from a constituent who is a lawyer who commutes to London? She could only get to London last week via Leeds at extra cost and extra time, which is an absolute disgrace. She said that that showed the Government's disregard for the north. She has made a decision to stay in the north and reinvest her salary in the north, but apparently that does not matter. Is this the last-chance saloon for Avanti? Given that it is five weeks until 16 October, what will happen in the meantime? Are we going to have another five weeks of this mess?

Trudy Harrison: Personally, I would say that the north is the best place to run a business and to live. I have considerable experience, having lived all my life in the north. On what we are doing now, Network Rail and Avanti are working to resolve the ticket issues so that they can provide those advance tickets, as I have mentioned. The decision on 16 October will be significant, which is why we need to take time to consider all the options, and to understand the evidence about which will provide the best solution for passengers, because that is the absolute priority.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): My constituents, too, want to make trips for work or to visit family and friends, and they still cannot book a seat on virtually any weekend service for the next two months. News that the TransPennine Express is also reducing services seems to be yet more evidence of a managed decline of our railways under the Conservatives, so what guarantee can the Minister give the House and my constituents that, under the Government, they will have access to the services that they need, and when that will happen? The Government have known about the issues about months, so waiting again for months and months is just not good enough.

Trudy Harrison: This Government are absolutely backing the rail sector, with more than £90 billion being invested in the integrated rail service. Great British Railways will seek to address many of these challenges, not least the modernisation of the workforce, which is absolutely necessary. I have absolutely not condemned the workers for this situation, but the fact remains that workers have been willing to work on their rest days for something like 20 years and they are no longer willing to do so, certainly with Avanti. We need to find a solution to that challenge, working with the unions but also recruiting more drivers and a more diverse set of drivers, and ensuring that we have drivers who are trained to safely, affordably and reliably operate the train service we all want—particularly this Conservative Government.

Madam Deputy Speaker (Dame Rosie Winterton): I thank the Minister for answering the urgent question.

Jagtar Singh Johal

Madam Deputy Speaker (Dame Rosie Winterton): I understand that legal papers have been lodged in relation to the case that is the subject of the urgent question. I am content for the urgent question to be dealt with because of the seriousness of the issues concerned, but I ask all Members to exercise caution and not to discuss issues that might prejudice any later legal proceedings.

1.31 pm

Martin Docherty-Hughes (West Dunbartonshire) (SNP) (*Urgent Question*): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs if he will make a statement on the Government's actions in the case of Jagtar Singh Johal.

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Rehman Chishti): I am grateful to the hon. Member for asking the urgent question, and I pay tribute to his tenacious support for his constituent Mr Jagtar Singh Johal since his arrest in India in 2017. I appreciate what a difficult time this must be for Mr Johal's family and friends. Again, I pay tribute to his Member of Parliament for all that he is doing for his constituent in these challenging circumstances.

Consular assistance to British nationals overseas is the primary public service of the Foreign, Commonwealth and Development Office and a priority for the Foreign Secretary. Since Mr Johal's arrest over four years ago, Ministers and officials have consistently raised our concerns about his welfare and treatment directly with the Government of India. With Mr Johal's consent, this has included raising allegations of torture and mistreatment, and his right to a fair trial. The former Prime Minister, my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) raised Mr Johal's case with Prime Minister Modi in April. The then Foreign Secretary raised Mr Johal's case with the Indian Minister of External Affairs, Dr Jaishankar, most recently in Delhi on 31 March. Lord Ahmad of Wimbledon, the Minister of State with responsibility for south Asia and the Commonwealth, is also in regular contact with his counterparts across the Indian Government. Since 2017, Ministers and officials have raised Mr Johal's detention on almost 100 occasions, and they will continue to do so.

In May, the UN working group on arbitrary detention published its opinion that Mr Johal is arbitrarily detained. We take this seriously, and we are committed to doing what we can to assist Mr Johal. On 9 June, the then Foreign Secretary met the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) and Mr Johal's brother Gurpreet to discuss this matter.

In February this year, lawyers acting for Mr Johal issued a civil litigation claim against Her Majesty's Government in the High Court. Last month, they detailed their allegations. We must let the legal process take its course, and I will therefore not comment on this matter, in line with long-established practice, as I am sure all Members will appreciate and as you, Madam Deputy Speaker, outlined before the start of the urgent question. I can assure the hon. Member for West Dunbartonshire and the House that we will continue to do all we can to support Mr Johal and his family.

Martin Docherty-Hughes: I am grateful for the Minister's words, but my constituent had his 188th pre-trial hearing suspended today because the courts in India could not make up their mind. Perhaps we should extend our consideration to him and not just to everyone else who has been mentioned so far.

Madam Deputy Speaker, you mentioned the proceedings that have been brought. I think that it should not be outwith order to say that lawyers representing my constituent submitted a motion at the Royal Courts of Justice seeking redress after compelling evidence emerged linking the United Kingdom Government directly to his arrest and torture almost five years ago.

A case study in the Investigatory Powers Commissioner's Office annual report in March 2020, which is in the public domain and was uncovered by the human rights group Reprieve—I and the Johal family are extremely grateful for all its work—matches entirely the specific details of Jagtar's case, with a gut-punch of an admission that he was arrested on the basis of information provided by the intelligence services of the United Kingdom of Great Britain and Northern Ireland. This information has posed a multitude of hard questions for this Government, and especially for the new Prime Minister, the former Foreign Secretary. I am sure that we will get to hear many of them from Members present today. I am hugely grateful to the many Members who have supported this case.

Like hundreds of thousands of UK citizens of Sikh ethnicity, the Singh Johal family travel to India every year, yet now they must wonder if it is safe for them to continue to do so. They must also contend with the realisation that the horror that Jagtar went through in November 2017 of being held incommunicado for 10 days, tortured and forced into signing a blank confession, the arbitrary detention that the previous Prime Minister agreed he has faced since, and his trial by media in the Indian republic were all caused directly, at least for me, by the intervention of the state that is meant to protect him. We have a family, an MP and a House of Commons who want answers on who knew what and when.

Jagtar has a UK passport. I am afraid that is the only passport that I have, and I think it is the only one that you have, Madam Deputy Speaker. On the inside page are written the words:

"Her Britannic Majesty's Principal Secretary of State requests and requires in the name of Her Majesty all those whom it may concern to allow the bearer to pass freely without let or hindrance and to afford the bearer such assistance and protection as may be necessary."

Of all the many questions I could ask the Minister, the one I think is most important is this: do they think that their Government have stayed true to those words in the case of Jagtar Singh Johal?

Rehman Chishti: The first point I make to the hon. Member is that the Government's first priority is the welfare of Mr Johal. That is the first priority of the Government, as it would be the first priority of any Government with regard to British citizens anywhere around the world.

On the hon. Member's specific point, I return to the point I made earlier—and the point that you, Madam Deputy Speaker, made at the outset—with regard to any civil litigation and to concerns on the intelligence agencies. I cannot and I will not comment on that in this

House. Since the hon. Member raised it specifically, I reiterate that Mr Johal has active civil litigation against Her Majesty's Government on this matter. This is the issue before the court, and we must let the legal process take its course. Therefore, in line with long-established practice, I will not comment on this matter. I am sure that the hon. Member appreciates that.

Of course, the Indian Government, having listened to these proceedings, will have to take into account the views of Members of Parliament. Some 140 MPs and peers have expressed an interest in this case. Our former Prime Minister raised it with the Indian Prime Minister. Our former Foreign Secretary raised it with her counterpart, the Indian Minister of External Affairs.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Did they call for his release?

Rehman Chishti: I will take questions later, subject to what you say, Madam Deputy Speaker. The point I am trying to make, to bring the House together, is that this case has been raised with our counterparts at the highest level possible, and we will continue to do all we can to support Mr Johal in this particular case.

Mr David Davis (Haltemprice and Howden) (Con): I associate myself with every word uttered by the hon. Member for West Dunbartonshire (Martin Docherty-Hughes). Let us be clear: we cannot talk about the case, but the allegation is clear. The allegation is that the British Government were complicit in the provision of information to the Indian Government knowing that it might be used for torture and in a capital case. The point is that this is not the first time that this has happened; it has happened on numerous occasions. When my right hon. Friend the Member for Maidenhead (Mrs May) was Prime Minister, she apologised for the most famous previous case in Libya. She said:

"We are profoundly sorry for the ordeal that you both suffered and our role in it."

That was within a few months of Mr Johal's arrest and the Government's potential involvement.

There is not only one civil case looking at this issue; there is another case in my name and that of the hon. Member for Barnsley Central (Dan Jarvis) to demand that the Government review, as promised, their attitude to torture and their complicity and involvement in it. I ask the Minister whether he will give an undertaking that we will now have that review to cover the Johal case and all the others that went before it, and whether he will promise this House that we will never again be complicit in the torture of any British citizen.

Rehman Chishti: My right hon. Friend's first point was that there are allegations in this case. Absolutely: there are allegations and there is a procedure and process that they must go through to be looked at. They are going through the High Court at this time. On that basis, I will not be drawn into commenting on that. He, and every other Member of Parliament, will recognise that if there is an allegation, it has to go through a process. Therefore, there is a separation of power between the Executive, the judiciary and the legislature. That specific matter is now at the High Court, and the High Court should make a determination on it.

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

Catherine West (Hornsey and Wood Green) (Lab): The allegations in recent weeks of the potential collusion of the British intelligence service in the arbitrary detention of Mr Johal are deeply worrying. It is vital that the veracity of those claims is investigated as soon as possible to find the truth.

The House will expect the Minister to be clear on whether the former Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), under whose watch we believe this occurred, authorised sharing this intelligence with the Indian Government when he was the Foreign Secretary. I also urge the Minister to outline whether the Government are using their contacts at the highest level of the Indian Government to press for Mr Johal's release without further delay.

I have three further questions. First, will the Foreign Secretary, who was appointed last night, make himself available at his earliest opportunity for a meeting with the family? Secondly, since 1995, every Government have made human rights part of the dialogue when they speak to India about trade, yet the current free trade agreement does not appear to have human rights within it. Can he clarify that?

Finally, it is a worrying pattern that there are other such cases in the Foreign, Commonwealth and Development Office—for example, Morad Tahbaz, who remains languishing in an Iranian prison, or Alaa Abd El Fattah in Egypt, who liked a Facebook page. What urgent action is the FCDO taking on those cases? It must be a first principle that it is the first duty of the Government to look after every British national. The family asked today whether the new Prime Minister will show more guts than her predecessor. I think all hon. Members would like to see some backbone injected into these negotiations.

Rehman Chishti: It is a real pleasure to face the shadow Minister, and I look forward—if I am in post—to exchanging views with her on these specific points. First, she raised the actions or non-actions of the former Prime Minister with regard to this specific case. It is important, when such an accusation is made, that it is fully and thoroughly investigated and looked at. That will be done by the High Court. As I say, Mr Johal has an active civil litigation case against Her Majesty's Government on this matter. That is an issue before the court, and we must let the legal process take its course. I therefore cannot and will not comment on this matter, in line with long-established practice, as I am sure she appreciates.

I am also sure that the hon. Lady would agree that we all in this House respect the separation of power between the Executive, the judiciary and the legislature, and, with regard to the intelligence agencies, the various checks and balances. We have the Intelligence and Security Committee, the Investigatory Powers Tribunal and the Investigatory Powers Commissioner. There is no doubt that the accusations that have been made need to be fully and thoroughly looked at, in line with the High Court case.

The hon. Lady's second point related to human rights and our engagement with India. Let me make it clear: we believe that trade is vital for our economy and future

prosperity, but that in no way compromises the United Kingdom's commitment to upholding human rights at the core of our foreign policy. We will not pursue trade to the exclusion of human rights. We regard both as important parts of a deep, mature and wide-ranging relationship with our international trading partners. The "2030 Roadmap for India-UK future relations", which was agreed by the former Prime Minister with Prime Minister Modi, has a specific agreement about a commitment to resolving long-running or complex consular cases.

On the other specific cases that hon. Lady raised, I see the Minister for Asia and the Middle East on the Front Bench, who covers a different thematic region in the world, and she will no doubt take them on board. I am happy to ensure that the hon. Lady gets an answer about what the Government are doing on those matters.

Bob Blackman (Harrow East) (Con): I congratulate the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) on pursuing this case on behalf of his constituent. He has been assiduous in pursuing justice for Jagtar Singh Johal. I will come back to the plight of Jagtar Singh Johal rather than the case against the Government. I understand that he is a member of the Khalistani Liberation Force, which is a proscribed organisation in India. Indeed, at the moment he is facing up to eight charges of murder or attempted murder. Will my hon. Friend ensure that consular assistance is provided to him so that he gets a fair trial, and then we can deal with the issues that result?

Martin Docherty-Hughes: On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: I will take the point of order at the end.

Rehman Chishti: The specific question that we have before the House today looks at the welfare and treatment of a British national in India, where there are specific concerns about his welfare and treatment. The United Kingdom Government have made it clear through the number of engagements and representations that we have made—nearly 100 between officials and Ministers, including Prime Minister to Prime Minister and Foreign Secretary to Foreign Secretary—how importantly we take these concerns. My hon. Friend's point about the accusations and allegations is that—

Martin Docherty-Hughes: Allegations.

Rehman Chishti: Allegations. If I may finish, what I would say is that the accusations and allegations that have been made with regard to the situation of a British national abroad need to be looked at fully and fairly, in line with India's commitments to human rights, domestic law and international law. That is what we would regard for any citizen anywhere around the world.

Madam Deputy Speaker: I call the SNP spokesperson, Stuart C. McDonald.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): I pay tribute to my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) for securing this urgent question and for his relentless campaigning on behalf of his constituent. I echo his comments 100% and agree with

what he said. As I understand it, the outgoing Prime Minister has previously been absolutely clear that this is a case of arbitrary detention. Is that still the Minister's position? It seems absolutely clear that Mr Johal has been disgracefully treated during that detention, so will the Government call for his release? It is a simple question. I appreciate that legal proceedings are ongoing just now, but can the Minister assure us that in the fulness of time there will be a full statement to this Parliament about exactly what went on and the sort of inquiry that my hon. Friend calls for.

Can I raise two final issues? We know about this thanks to the diligent work of organisations such as Reprieve, but it brings to our attention the issue of whistleblowers. We know that 99% of the time our security services serve us absolutely fantastically well, but things do go wrong and abuses happen, so is there not now a need for protection of whistleblowers and for public interest defences in relation to disclosures—for example, in relation to the National Security Bill going through Parliament just now?

On that Bill, does the Minister agree that, hypothetically, if UK agencies are found liable for damages for actions they undertake that lead to torture abroad, those damages should be paid? If so, why does the Bill—in clause 58—appear to create new and unnecessary ways to avoid the security services having to meet those damages? How can that be justified in any way, shape or form?

Rehman Chishti: The first part of the hon. Member's question was about the view taken by the former Prime Minister of arbitrary detention and Mr Johal's case. The United Nations working group on arbitrary detention has issued its opinion about Mr Johal. We take this seriously and have consistently raised our concerns about Mr Johal's case directly with the Government of India. We are committed to doing what we can to assist him.

On the second part of the hon. Member's question about arbitrary detention and the issue of release, the focus of these cases is always on working in the best interests of the individuals concerned. There is no blanket approach for these cases; our approach is tailored for specific individuals. I am sure that the new Prime Minister and Foreign Secretary will want to review this case as a priority.

On the hon. Member's specific point about the National Security Bill, the Home Office leads on that matter. Again, I do not comment on matters relating to the intelligence agencies, or on this specific case because of a live civil litigation case in the High Court.

Several hon. Members rose—

Madam Deputy Speaker (Dame Rosie Winterton): Order. Before I call the next hon. Member, I want to emphasise that I have advised right hon. and hon. Members to exercise caution in what they say. However, just to be clear, I cannot force people to stick to that; it is my advice.

I want to try to get everybody in, but that means short questions—not a series of questions from now on, but a short question—so that the Minister is able to respond quickly. In that way, I can try to get everybody in.

Mrs Flick Drummond (Meon Valley) (Con): The UK has a close relationship with India, and our partnership is vitally important to both nations, but also for global peace and security, and not least trade. Can my hon. Friend confirm that the UK Government will continue to discuss the importance of human rights and the rule of law with India as part of that partnership, especially in relation to any forthcoming trade deals?

Rehman Chishti: Madam Deputy Speaker, you said that brevity is a virtue, not a vice, and the answer to that question is yes.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): According to revelations from Reprieve and investigative journalists, it was apparently a tip-off by British security services that led to the arrest and arbitrary detention of Jagtar Singh Johal in India. All the while, Conservative Ministers were informing us ad nauseam that they were doing their very best and they were protecting his rights as a British citizen. What utter hypocrisy. Can the Minister confirm whether the outgoing, disgraced Prime Minister, during his tenure as Foreign Secretary, signed off the tip-off that led to arbitrary detention, including serious allegations of torture?

Rehman Chishti: I would again make the point to the hon. Member that there is a separation of powers between the judiciary, the legislature and the Executive. [*Interruption.*] He has made an allegation about what a former Prime Minister may or may not have known of this specific case. The matter is before the High Court. I cannot comment on this matter in that regard and I will not comment on it.

Dan Jarvis (Barnsley Central) (Lab): I pay tribute to the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) for the tenacity with which he is pursuing the release of his constituent. I also associate myself with the remarks made by the right hon. Member for Haltemprice and Howden (Mr Davis).

This is a deeply concerning case. As we have heard, earlier this year the UN working group on arbitrary detention declared that Jagtar's detention in India is unlawful, and I, along with other right hon. and hon. Members, raised that earlier this year. The new Government need to move urgently to try to end this nightmare and secure his release. As an absolute minimum, can I ask the Minister to try to ensure that the new Prime Minister raises this matter in her first call with her Indian counterpart? Can the Minister also give an assurance that he and his colleagues across Government will continue to raise their concerns at every available opportunity?

Rehman Chishti: On whether this matter can be raised at every level, including Prime Minister to Prime Minister, the current Prime Minister, when Foreign Secretary, raised this case with her counterpart and she is fully aware of it. The case was previously raised by Prime Minister Johnson with Prime Minister Modi at the highest level, and Lord Ahmad in the other place has raised it consistently. The hon. Member's point is about whether this matter can be conveyed. I cannot say to the Prime Minister what must be raised in those meetings—that is a matter for her—but she will have heard his view, and I will convey the point back to the Prime Minister's office that this has been raised.

Mr Alistair Carmichael (Orkney and Shetland) (LD): The Minister may wish to reflect on the fact that the purpose of the sub judice rule is the protection of proceedings in court; it is not for Ministers to hide behind. The Minister is clearly not going to answer the questions about the ministerial sign-off today, but can he, in fulfilment of his duties to this House, tell us whether or not that information is held within Government?

Rehman Chishti: The right hon. Gentleman asks what specific information is held about what was said, and I would say to him that there is a case going on at the High Court. Subject to what Madam Deputy Speaker—or Mr Speaker—says, after that case has been held at the High Court and the determination has been made, he would be within his rights to ask an urgent question on the Floor of the House. However, speculating at this point in time about what information may or may not be held is not the right thing to do. The top priority for me and this Government is to do everything we can to support Mr Johal and his welfare.

Valerie Vaz (Walsall South) (Lab): Can I just tell the Minister that there is a separation of powers, but it is our job to hold him to account—we ask him questions—and it is for judges to decide on the case? If they are civil proceedings, they are in open court, so everybody can go along and hear the case. I have a very simple question. Mr Jagtar Singh Johal is a British citizen. Has he received consular assistance, and if so, when?

Rehman Chishti: On the second point about consular assistance, the question that the hon. Member for West Dunbartonshire asked was about the proceedings that were to take place in court today. They did not take place because the Indian authorities did not put forward the papers for the prosecution. British officials were at that hearing today. We have been very supportive of Mr Johal, with consular support as well as the support through Ministers meeting his family here in the United Kingdom.

Alison Thewliss (Glasgow Central) (SNP): I have three Sikh gurdwaras in my constituency: the Central Gurdwara, Singh Saba; the Guru Granth Sahib in Pollokshields; and the Shri Guru Tegh Bahadur, which is also in Pollokshields. Those in the Sikh community in Glasgow are deeply concerned for Jagtar Singh Johal, and they send their solidarity to him and his family. They are also deeply worried about any trip that they may be making to India, so can I ask the Minister what possible reassurance he can offer them?

Rehman Chishti: I, too, have a Sikh community in my constituency, at the Byron Road gurdwara and the Franklin Road gurdwara, and absolutely, I think the point I would make on that is that the United Kingdom's top priority is the welfare of its citizens abroad. On that basis, we will do everything we can to support our citizens abroad.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): I have been contacted by many of my constituents, from all backgrounds, who are concerned about the welfare and continued detention of Jagtar Singh Johal. The UN has confirmed that this is an arbitrary detention, with the working group on arbitrary detention calling for his

immediate release. If it is Foreign Office policy to call for the release of arbitrarily detained British nationals, have the Government done so in this case, and if not, why not?

Rehman Chishti: On arbitrary detention and the specific point about release I will again give the answer I gave earlier: the focus of these cases is always to work in the best interests of the individuals concerned. There is no blanket approach to these cases, and they are tailored to specific individuals. I am sure that the new Prime Minister and Foreign Secretary will want to review this case as a priority, which goes to the point about determination of arbitrary detention in that regard.

Sir Stephen Timms (East Ham) (Lab): The policy on intelligence sharing with overseas intelligence agencies is covered by a document called "The Principles". At the moment there is a loophole in that, which allows Ministers to authorise tip-offs leading to torture, contrary to UK and international law. Will the Minister ensure that that loophole is removed, so that it is absolutely clear that Ministers must not authorise tip-offs leading to torture?

Rehman Chishti: If the right hon. Gentleman would write to me in detail on that specific point, I can ask officials to look into it and come back to him on that technicality.

Ms Anum Qaisar (Airdrie and Shotts) (SNP): Since his arbitrary detention by Indian authorities, Jagtar Singh Johal has been represented—I use that word loosely—by three Prime Ministers and five Foreign Secretaries, none of whom has managed to secure his release. Jagtar has been tortured into signing a false confession, denied proper access to a lawyer, and potentially faces the death penalty. Will the Minister, and the newly appointed Foreign Secretary, make Jagtar's release an immediate priority? Will the Minister commit today to further ministerial statements on this matter? It does feel like he is hiding behind a smokescreen.

Rehman Chishti: This case is a priority for the United Kingdom Government, and it will be a priority for the Foreign Secretary and Prime Minister. The Prime Minister raised the issue directly with her counterpart in India when she was Foreign Secretary, so yes, it is a priority for the United Kingdom Government.

Sarah Champion (Rotherham) (Lab): I need to push the Minister on a specific point. The outgoing Prime Minister accepted that Jagtar Singh Johal has been arbitrarily detained. The Minister says that the Foreign Office does not have a blanket approach, but that is not correct. It has always been Foreign Office policy to call for the release of arbitrarily detained British nationals, yet the Government have not done so in this case. Will the Minister explain why the Government have not acted in line with their own policy, and will he commit to seeking Jagtar's urgent release and return to the UK?

Rehman Chishti: The hon. Lady is correct to say that the former Prime Minister made a determination on arbitrary detention, and the United Nations working group on arbitrary detention has issued its opinion about Mr Johal. That is the point—the new Foreign

Secretary and new Prime Minister will have to make a determination for themselves on this matter. The hon. Lady asked about the former Prime Minister, and that was his opinion. The new Prime Minister and Foreign Secretary will need to come to their own opinion on this matter.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): I welcome the Minister to his place. The crux of the matter is that whether or not this issue is before a civil court is the prerogative of the Government. They can pull that and deal with the real issues and concerns of the family of somebody who has been tortured in an Indian prison since 2017. We want the Minister to do what we would expect for a British citizen, and for the Government to deal with the issue and bring Mr Johal back home to his family.

Rehman Chishti: The hon. Gentleman is absolutely right to say that we should do everything we can to support Mr Johal and his family. That is why there have been nearly 100 forms of communication between officials and Ministers and their Indian counterparts about Mr Johal's case. It is a top priority for us, and we will do all we can to support him and his family.

Chris Stephens (Glasgow South West) (SNP): I congratulate my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) on securing this urgent question. Many people will think that the fact that negotiations on a free trade deal with India are going on at the same time as a UK national faces the death penalty is simply grotesque. Will the Minister confirm that negotiations on any free trade deal with India will cease until Mr Johal returns home?

Rehman Chishti: We will not pursue trade to the exclusion of human rights, and we regard both as an important part of a deep, mature, and wide-ranging relationship with our international trading partners. More specifically, the United Kingdom is very clear that we are opposed to the death penalty.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): This is a real test for the new Government: do they agree with universal human rights and a rules-based system, or not? If they do, they must demand that Mr Johal is immediately released and returned to this country.

Rehman Chishti: On the first point about the Government's commitment to an international rules-based system, the answer is yes, as it is for the United Kingdom Government's commitment to open societies and human rights. I have previously given an answer on the specific point about arbitrary detention and the issue of release.

John Spellar (Warley) (Lab): The blunt arbitrary detention without trial of Jagtar Singh Johal would be a disgrace even if he were not being tortured and abused, especially as it seems that he is a British citizen. Will the new Foreign Secretary and Prime Minister make absolutely clear to the Indian authorities that if they think they have substantial evidence against Mr Johal, as alleged by the hon. Member for Harrow East (Bob Blackman), they should bring him to an open court straightaway for a fair trial? If, as is much more likely, they do not have

such evidence, Mr Johal should be freed from prison at once, and allowed to return to his family in the United Kingdom.

Rehman Chishti: This case is a top priority for the United Kingdom Government, the Foreign Secretary and the Prime Minister, and I will ensure that everything is done to ensure that Mr Johal's case is dealt with as quickly and swiftly as it can be.

Kirsten Oswald (East Renfrewshire) (SNP): I am grateful to my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) for his persistence in this case. That is doubly important because it sounds as if the Minister is somewhat rowing back and hiding behind proceedings today. That is wholly unacceptable. My constituents who often travel to India, and constituents across Scotland and the UK, will be looking at this case with deep concern. What will the Minister do to move this forward and ensure that we accept this as a case of arbitrary detention? How can he reassure those who come and go from India that the UK Government will not simply abandon them on a whim, as they have Jagtar?

Rehman Chishti: The hon. Lady says that I might be hiding behind procedure, but she knows me as a parliamentarian for 12 years, and I have previously stepped aside from the Government on matters of principle. In this case, the Government are doing all they can to support Mr Johal, and this is a top priority for his family and the United Kingdom Government. The matter has previously been looked at from Foreign Secretary to Foreign Secretary, and from Prime Minister to Prime Minister. I know Lord Ahmad, who covers that part of the world, has been looking at this case consistently with his counterparts in India, and the matter is a top priority for the Government.

Abena Opong-Asare (Erith and Thamesmead) (Lab): Like many of my constituents, I am deeply concerned to hear that Jagtar's legal team have provided evidence that Jagtar's detention and torture took place following a tip-off by MI5. I am absolutely appalled by the Minister's comments in the Chamber today, which show a lack of compassion and a lack of action on this issue. The Minister says he is unable to comment due to legal proceedings, but I believe it is in the Government's gift, right now, to explain to the House what measures they are taking to remedy that. What review has taken place following what has happened? This is deeply concerning, and we cannot allow it to happen to many other people. I urge the Minister to clarify to the House whether a review has taken place, and what steps the Government have taken, instead of ducking and diving.

Madam Deputy Speaker (Dame Rosie Winterton): We really must make sure that questions are very brief, so that I can try to get everybody in.

Rehman Chishti: Thank you, Madam Deputy Speaker. The hon. Lady says that Ministers lack compassion, but when I was the British envoy for religious freedom I worked tirelessly with partners around the world to help release individuals who were being persecuted for their faith. She asks what has been done, but I have answered the specific point. The matter is before the High Court,

[Rehman Chishti]

which is dealing with accusations and allegations regarding what information was shared with whom. That is a matter for the High Court. Let the High Court deal with this matter, and once it has, the hon. Lady is within her rights to bring the matter back in a question to the House.

Steve McCabe (Birmingham, Selly Oak) (Lab): The Minister has referred to two meetings: one where the former Foreign Secretary raised the case and one where the former Prime Minister raised it with Mr Modi. Presumably, that is evidence of the Government's good efforts, but there must be notes from those meetings. Will the Minister put them in the House of Commons Library?

Rehman Chishti: With regard to any specific notes, they will be dealt with in accordance with procedure.

Patrick Grady (Glasgow North) (Ind): A great many worshippers at the Guru Nanak Sikh temple on Otago Street in Glasgow North have signed a petition calling for Jaggi's release. Will the Minister confirm that, if Jagtar was in the UK and the Indian Government wanted to extradite him, that would not be possible because of the threat of a death sentence? So why should he be threatened with capital punishment after being arbitrarily detained on the streets of India?

Rehman Chishti: I did not quite hear the hon. Member's question, so I will take it away and get him a full answer.

Mohammad Yasin (Bedford) (Lab): Jagtar Singh Johal's legal team have presented extensive evidence suggesting that the British national's detention and torture followed a tip-off by MI5 and MI6. Will the UK Government now acknowledge and apologise for any role in Jagtar's detention and take responsibility for securing his release and redress for the abuses that he has suffered?

Rehman Chishti: As I have said before, with regard to the UK Government's position, we will do all that we can to support Mr Johal and his family. The former Foreign Secretary—now the Prime Minister—met the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) and Mr Johal's brother Gurpreet Singh Johal on 9 June. Lord Ahmad, the lead Minister on the case, has met Gurpreet Singh Johal on at least seven occasions. That answers the hon. Member's point about what the UK Government are doing and our commitment to do all that we can to support Mr Johal at this specific point in time.

Allan Dorans (Ayr, Carrick and Cumnock) (SNP): The Sikh community in Scotland and elsewhere contributes significantly to the economic, civic and cultural life of this country. Do the Government understand and appreciate the damage caused to that community's trust and confidence in them by failing to achieve justice for Jagtar? What action will they take to rectify the situation and reassure Sikhs not only in this country but throughout the world?

Rehman Chishti: I agree with the hon. Gentleman, and the UK Government pay a huge tribute to the contribution of the Sikh community across the board. They stood with us in the second world war and the first world war, and contributed to our freedom and liberty.

They were a part of us all the way through, and their contribution to our great country absolutely needs to be—and is—recognised by every Member of Parliament. I say to him and Members across the House that this is a specific case, and the UK Government will do all that they can to support Mr Johal, but we are all united in recognising the contribution of the Sikh community.

Matt Western (Warwick and Leamington) (Lab): I congratulate the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) and align my position with that of my right hon. Friend the Member for Warley (John Spellar). My constituents are really concerned about the situation with Jagtar Singh Johal and the Government's failure to support a British national. They are also concerned and frustrated about the lack of transparency and action in certain other cases, including those of Morad Tahbaz, who is in an Iranian prison despite the Foreign, Commonwealth and Development Office requesting his release, and Alaa Abd El-Fattah, who is in an Egyptian prison. Will the Minister place a report in the Library to update the House on their cases?

Rehman Chishti: I will ask officials to publish in the House what can be published on the specific cases that the hon. Member mentioned.

Taiwo Owatemi (Coventry North West) (Lab): I really hope that the Minister is taking Jagtar's case seriously, because sadly this not an isolated incident: we have faced similar difficulties in defending the west midlands three in Coventry North West. Will the Minister reassure me and my constituents that Jagtar's freedom will never be up for negotiation in efforts to strengthen wider relations with the Indian Government?

Rehman Chishti: If the hon. Lady wants to write to me on her specific constituency case, I will ensure that Ministers look at those points and come back to her.

Jim Shannon (Strangford) (DUP): I know that the Minister is committed to addressing issues of human rights across the world—I have worked with him and understand that. Does he not agree that the view of the UN working group, our own FCDO and legal judgments have made it clear that the treatment of my friend's constituent is internationally unjustifiable and that action must be taken immediately to bring Jagtar Singh Johal back home to the UK and send a clear message that the United Kingdom's innocent citizens—British passport holders—must be a Government priority in India and, indeed, anywhere in the world?

Rehman Chishti: I pay tribute to my hon. Friend for all the fantastic work that he does on freedom of religion or belief and supporting individuals who are persecuted for their faith around the world. He made a point about the UN working group on arbitrary detention, and that working group has given India until 2 November to respond to its findings. That date has been made clear to the Indian Government. The UK Government are clear, and I am clear, that we are committed to doing all that we can to support Mr Johal and his family.

Madam Deputy Speaker (Dame Rosie Winterton): I thank the Minister for answering the urgent question.

Martin Docherty-Hughes: On a point of order, Madam Deputy Speaker. Earlier, you were clear about what is not exactly a regulation of the House but advice to Members on sub judice and privilege, and that was clearly broken and taken advantage of. I do not know about Government Members, but those on the Opposition side clearly saw it as an abuse of privilege. Frankly, I do not like it when Members become spokespersons for a foreign state. Given that a Member of this House has impugned the integrity of my constituent on the Floor of the House of Commons of the United Kingdom of Great Britain and Northern Ireland, what is open to me as a constituency MP and those defending the rights of their constituents in the courts to ensure that such matters do not happen again?

Madam Deputy Speaker: I thank the hon. Gentleman for that point of order. I deliberately returned to the advice that I had previously given about Members exercising caution in their remarks. As I said, I cannot force people to follow that advice; it is merely advice. He has put on the record his strong view about what was said. If he wishes to pursue that in other ways, I am sure that the Clerks can advise him, but I really cannot add anything further to what I have previously said.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Further to that point of order, Madam Deputy Speaker. I think that the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) was referring to the hon. Member for Harrow East (Bob Blackman) and what he said. It is clear that the hon. Member for Harrow East was relying on the privilege given to him as a Member of this House to make those allegations, and it is equally clear that the allegations are contested. What mechanism is open to Members when information released under privilege is contested in such a way? Does the hon. Member not have to repeat it outside?

Madam Deputy Speaker: I cannot prevent Members from expressing their views. I am concerned that the hon. Member for Harrow East (Bob Blackman) is not here. As the right hon. Gentleman knows, it is customary to inform an hon. Member if they wish to raise something concerning them. It is open to the right hon. Member to raise the matter on another occasion, but I suggest that he informs the hon. Member that he is going to do so, as that would provide an opportunity for a response. I think that we will leave it at that.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op) *rose—*

Madam Deputy Speaker: I will take the hon. Gentleman's point of order after the business statement from the Leader of the House.

Business of the House

2.18 pm

The Leader of the House of Commons (Penny Mordaunt): I do not wish to detain the House for longer than is necessary, but, if you will indulge me, Madam Deputy Speaker, I want to pay a brief tribute to my predecessor, my right hon. Friend the Member for Sherwood (Mark Spencer). He is a great champion for this place and for Back-Bench Members in particular, and he took his responsibilities as Parliament's representative in Government seriously. He was also rather good for morale. I hope that all Members will join me in thanking him for his service.

I should like to make a short business statement. The business for tomorrow, Thursday 8 September, will now be:

General debate on UK energy costs, followed by consideration of an allocation of time motion, followed by all stages of the Social Security (Special Rules for End of Life) Bill [*Lords*].

I shall make a further business statement tomorrow in the usual way.

2.20 pm

Thangam Debbonaire (Bristol West) (Lab): May I first welcome the new Leader of the House very warmly to her new role and join her in paying tribute to the right hon. Member for Sherwood (Mark Spencer)? This is one of those unusual roles where the opposite numbers have to work together quite closely on a number of House issues. I look forward to working with her, but I also pay tribute to and put on record my thanks to the right hon. Gentleman, who I enjoyed working with.

I am very much looking forward to hearing the details of the widely trailed energy plan, but may I ask the Leader of the House why the Prime Minister seems to be swerving scrutiny by not making a ministerial statement, which she would have had to put forward to her opposite number 45 minutes in advance and which would have involved answering Members' questions directly? Will the Leader of the House ask the Prime Minister to consider making a statement, so that that can be offered to Members? Shadow Ministers cannot be expected to properly scrutinise very significant policy changes if they have not had a chance to read them in advance. What briefings, if any, will Members or shadow Ministers receive in advance of this very significant announcement, which they would have been given with a ministerial statement?

Members reading speculation about what might or might not be announced in the media is not good enough and Mr Speaker did ask the new Prime Minister, I think quite firmly this morning, if she would make sure that statements are always made to the House first, rather than being briefed?

The Deputy Leader of the House of Commons (Mr Peter Bone) *indicated assent.*

Thangam Debbonaire: I am getting nods from the Deputy Leader of the House—quite right. We agree on this, so will the Leader of the House remind the Prime Minister of what Mr Speaker said to her today?

[Thangam Debbonaire]

Finally, Labour has been calling on the Government for action on energy bills for months. I asked for a recall in August so that we could pass legislation as soon as possible, adopting Labour's plan to freeze the energy price cap and ensure the burden of paying for it fell on the big oil and gas companies through a windfall tax. The Prime Minister ruled that out this morning. Why is she asking working people to pay the price instead?

Penny Mordaunt: May I start by thanking the hon. Lady for her very kind remarks about my predecessor? It is absolutely right that this House has time to debate these critical issues. Many colleagues will have been speaking to constituency businesses, as well as ordinary constituents, to understand the particular issues they are facing and what they think the solutions should be to the extreme problems the country is facing.

I have, as the hon. Lady would expect, already raised the matter of getting information in a timely way for Members with the lead Department, the Department for Business, Energy and Industrial Strategy. It is incredibly important that Members are able to scrutinise the solutions in a timely way, as well as, I hope, raise concerns and matters their constituents have asked to be pressed to the Prime Minister and the Chancellor. That I have carried out and I hope to provide further assurance on that as we continue.

The hon. Lady raises the Prime Minister's commitment to ensuring that things are brought to this House. In Prime Minister's questions just a short while ago, I think she reiterated her determination to do that. I would also say that although the House has not been sitting across the summer, Ministers have not been idle. I pay tribute in particular to the former Chancellor, my right hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), working with colleagues to ensure that whichever candidate won the leadership contest would have up to date information, given the volatility of the economy at the moment, to be able to make decisions. In the course of my duties, I will always do my best to ensure information is given to this House in the correct manner.

Mr Mark Harper (Forest of Dean) (Con): I support what my right hon. Friend said about her predecessor, both in his capacity as Leader of the House and in his previous role as Government Chief Whip. I also take this opportunity to welcome her to this particular role, which I know she will hugely enjoy as a fantastic Member of this House. It is a great privilege to be Leader of the House and I know she will do the job very well.

May I just follow up on one of the questions asked by the shadow Leader of the House? My right hon. Friend did not explicitly say it, but I think she is indicating that tomorrow's debate is the vehicle for the Government to announce their energy proposals. Assuming that is the case, Members will obviously want to scrutinise them. May I therefore ask, not just for the Opposition but for all Members, what information will be available to Members? Obviously, if we are to take part in a debate we need to have information. What information will be made available and when will it be available for Members? Presumably, it will have to be available, given that it is a

debate, before the commencement of the debate, and not, as would be usual for a statement, after the Minister introducing the debate has sat down. It would be helpful for the House if she could confirm that for us this afternoon.

Penny Mordaunt: I have raised these matters with the lead Department. I am expecting other Members of the House to also place this on record. It is important that we get these things right. I think the vehicle of a debate tomorrow has been chosen to enable Members to have some time to be able to talk about the experiences their constituents are going through, make further suggestions to the Government and get certain things on record. Obviously, a Minister will also respond to the debate. Clearly, if announcements are made, as much advance time about proposals that we can give Members in the proper way is very important. I assure all Members that we have made that case to BEIS.

Owen Thompson (Midlothian) (SNP): I, too, welcome the right hon. Lady to her place as Leader of the House and pay my own tribute to her predecessor, the right hon. Member for Sherwood (Mark Spencer), both in his role as Leader of the House and as Chief Whip—probably more of my dealings with him were in that role.

I echo the comments of others in making a plea for information to be available as quickly as possible, so that Members have the opportunity to contribute properly to the debate tomorrow. I also ask a simple question: will the Prime Minister be leading on the debate tomorrow? If not, who will?

Penny Mordaunt: Subject to events, my understanding is that the Prime Minister will open the debate and the new Secretary of State for Business, Energy and Industrial Strategy will close it. Again, I thank the hon. Gentleman for his kind remarks.

Dame Maria Miller (Basingstoke) (Con): I warmly welcome my right hon. Friend to her new position and the announcement of a debate tomorrow on energy costs. However, that debate will replace a Backbench Business debate on the running of the House of Commons, which was called for by the Administration Committee of which I am a member. Will my right hon. Friend use her best offices to ensure that that debate is rescheduled as soon as possible, notwithstanding that the timing of Backbench Business debates are a little beyond her control?

Penny Mordaunt: I apologise to Members who were looking forward to taking part in that debate. I have spoken with the Chairman of the Backbench Business Committee and the Member in whose name the debate stood. Clearly, my part in this is to make sure that that Committee has time on the Floor of the House. I have undertaken to ensure that time is allocated in good time for the Committee to make a decision about what debates it wants to bring forward.

Alison McGovern (Wirral South) (Lab): I welcome the right hon. Lady to her new role. It is no use crying over spilt milk, but all this is already slower than it should be when our constituents needed action over recess. Maybe it is me being a bit thick, Madam Deputy

Speaker, but I do not quite understand what decisions we are taking tomorrow. We are having a general debate but we do not know what the policy is yet, so we do not know what we are generally debating. That general debate will, I assume, be on a neutral motion, so what exactly would be the action that we are taking tomorrow?

Penny Mordaunt: The debate is an opportunity for all Members to raise their specific concerns. Many Members will have been talking to their constituents about particular things that they want to see. It is an opportunity for them to raise those issues tomorrow. Clearly, those opening and closing the debate will be putting forward measures that the Government want to bring forward. It will not be the only opportunity for the House to scrutinise the measures, but that is the purpose of the debate tomorrow.

Wera Hobhouse (Bath) (LD): I also welcome the right hon. Lady to her new role and echo her words about her predecessor, the right hon. Member for Sherwood (Mark Spencer).

I understand from my Whip that the business of this week and the following week had been agreed with both leadership candidates during the summer break, but we have seen a lot of chopping and changing this week. That does not inspire confidence in where the Government are going and the certainty of all of us in this place about the agenda. Will the Leader of the House assure us that, under her leadership, we will see no more chopping and changing of the business of the House?

Penny Mordaunt: I will say two things. First, I very much understand my role as being hon. Members' representative in Government, and I will do everything in my power—I hope Members have confidence in how I have conducted myself prior to this role—to work in a constructive, positive way and with all the courtesies that the House would expect.

I also have a role in this Government to ensure that Whitehall and we in this place move at the speed at which our constituents need us to. I therefore make no apology for bringing forward tomorrow's debate. It is important that Members of the House are able to raise these important issues, and I will do everything I can to give as much notice as I can of any changes to our legislative programme.

Stella Creasy (Walthamstow) (Lab/Co-op): Further to hon. Members' comments, I welcome the Leader of the House to her new position. She said that she wishes to be our representative in Government. Can she therefore understand the frustration of many of us that the press is briefing that the business for Monday—the Bill of Rights—has been shelved? Will she do the House the courtesy of telling us whether it has been shelved? If it is happening because the new Home Secretary said that the Government needed to be honest for the legislation to do what they want it to do, the Government needed to commit to leaving the European Court of Human Rights. So will the Bill be brought back with our leaving the European Court of Human Rights—yes or no?

Penny Mordaunt: I will make a further business statement tomorrow in the usual way. I ask Members to recognise that we are in very volatile times economically. We will need to do things swiftly. Members have been asking for

things to happen swiftly on these matters and we will do that. I will make a business statement tomorrow in the usual way and I will answer the very understandable questions that hon. Members wish to raise.

Nick Smith (Blaenau Gwent) (Lab): This is not good enough; the country deserves better. The Government's energy plan is said to involve £100 billion-plus of expenditure. That will involve very complex arrangements. A general debate is good, but when will we see the economic event that the Government have been promising for a while? The country really needs to get a grip of the Government's energy plans now.

Penny Mordaunt: As I said, a lot of work has been going on throughout the summer not only in Whitehall, but with energy companies and other stakeholders. Proposals are very advanced. Those will be brought to the House tomorrow, as we would expect, but we feel that it is very important to give all Members of the House the ability and the time to raise issues that their constituents have raised with them. However, that will not be the only moment for the House to scrutinise policies that are being introduced on the specific issues of the cost of living and business costs as well as the wider programme related to growth.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I welcome the Leader of the House to her place; she has been very competent in previous roles, so I look forward to that level of competency going forward. However, a key aspect is that we will get to see, on the publication of the agenda tonight, the content of what we will debate. We would expect that for any other form of Bill, legislative process or debate. We can get a general debate through the Backbench Business Committee or on an Opposition day. We need something more concrete. Our constituents need concrete things about which I can go and tell them tomorrow morning, "This is what we are doing to help you." My constituents do not want to hear me just talk; they want action.

Penny Mordaunt: I reiterate that we have made that very clear to the lead Department. Again, this is a debate that will give all Members of the House the chance to contribute and help to raise issues that they and their constituents are concerned about. This will also not be the only opportunity that Members get to help to shape that legislation.

Jim Shannon (Strangford) (DUP): On behalf of my party, I also welcome the right hon. Lady to her position as Leader of the House and I look forward to her contribution. She will be aware that the former Chancellor, the right hon. Member for Stratford-on-Avon (Nadhim Zahawi), visited Northern Ireland in the past month to get the process in place for the moneys that were coming through for each and every household across Northern Ireland. Decisions were made with the then Chancellor and the Minister for the Northern Ireland Assembly. The Leader of the House will know that the Northern Ireland Assembly is not meeting. With that in mind, will we get an indication tomorrow from the Prime Minister or the Minister responsible of how Northern Ireland's households will be allocated the money? That would be helpful for us in this process. We are ever

[Jim Shannon]

mindful that the Assembly is not working, and the Northern Ireland Protocol Bill is very much part of our thoughts.

Penny Mordaunt: I thank the hon. Gentleman for his very kind remarks. I understand that we will spend a lot of quality time together—such is his reputation. I assure him that the proposals that are introduced will be UK-wide.

Madam Deputy Speaker (Dame Rosie Winterton): I thank the Leader of the House for her first business statement.

Points of Order

2.35 pm

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): On a point of order, Madam Deputy Speaker. Yesterday, all Members of the House received an email from the Home Office stating that, in future, in “the majority of instances”, the Home Office will deal with our letters and correspondence

“by telephone to provide responses”

and:

“Where this is not possible you will receive responses to multiple enquires in a single letter.”

First, I have grave concerns about that from a GDPR point of view—how can I respond to a constituent with a letter that mentions numerous constituents? Secondly, I have a concern about the Home Office not responding apart from orally, where we cannot then record what has been said on the telephone. Will you advise me, through your good offices, whether this is an appropriate response from the Home Office?

The Leader of the House of Commons (Penny Mordaunt)
rose—

Madam Deputy Speaker (Dame Rosie Winterton): I am delighted to say that the Leader of the House is going to help us out.

Penny Mordaunt: Further to that point of order, Madam Deputy Speaker. I hear the hon. Gentleman and will take this issue up with the Home Office. I know that it is very keen to get replies back, particularly on very pressing constituent issues and systems that have been under great strain. However, I very much understand that the quality and timeliness of departmental correspondence is of immense importance to us all in being able to carry out our jobs. I have already had conversations with the new Chancellor of the Duchy of Lancaster about how we can undertake continuous improvement on this issue. We take this very seriously and I will raise this matter.

Madam Deputy Speaker: I thank the Leader of the House for that very helpful response. I am sure that she will come back with further information, perhaps during one of the business statements.

Deputy Speaker's Statement

Madam Deputy Speaker (Dame Rosie Winterton): Mr Speaker has received a letter from Tom Tugendhat indicating that he wishes to resign from the Chair of the Foreign Affairs Committee. Mr Speaker has therefore declared the Chair vacant. Nominations for the election of a new Chair will close at 12 pm on Tuesday 20 September. If there is more than one candidate, the ballot will be held on Wednesday 21 September. In accordance with the order of the House of 16 January 2020, only Members of the Conservative party may be candidates. Nomination forms and further information about arrangements for the election will be made available in the coming days.

Lithium-Ion Battery Storage (Fire Safety and Environmental Permits)

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

2.38 pm

Dame Maria Miller (Basingstoke) (Con): I beg to move,

That leave be given to bring in a Bill to make local fire services statutory consultees for industrial lithium-ion battery storage planning permission applications; to make provision about the granting of environmental permits for industrial lithium-ion battery storage; and for connected purposes.

The Bill would ensure that industrial lithium-ion battery storage facilities are correctly categorised as hazardous, so that the Environment Agency, the Health and Safety Executive and the fire and rescue services would be statutory consultees when planning applications are considered.

Technological innovation is on an exponential curve, and nowhere is that more evident than in renewable energy generation. Under this Government, in 2019—for the first time ever—zero-carbon electricity production overtook fossil fuels. This transition to renewables is essential to protect our environment, but is also crucial geopolitically. We know only too well that hostile powers are willing to use energy supplies as a weapon. Home-grown renewable energy can help to shield us from attacks. With renewable energy, capture and storage become crucial. A library of Government plans and reports since 2017 cite the removal of barriers to electricity storage as crucial in our transition to greener energy.

The high water mark of energy storage is industrial lithium batteries, which make up more than 90% of the UK's storage capacity. By releasing energy into the power grids when it is required, these batteries shift peaks of supply to match demand, providing us with renewable electricity even when the air is still and the skies are grey. A handful of storage facilities are already operational in the UK, but a large number are due to come on stream in coming years; 366 projects are under construction or awaiting planning permission.

So what is the problem? Lithium-ion batteries are innocuous when they function normally, but if they fail, a process called thermal runaway—what we would call a battery fire—occurs, and there is a complex chemical reaction. It can occur for many reasons: the battery may be overcharged, there may be outside interference or the battery may have a design fault. The only way to stop a battery fire is to cool it down with a constant stream of water and wait for the fire to go out, which might take days, creating huge quantities of water containing highly corrosive hydrofluoric acid and copper oxide—by-products of battery fires. These toxic chemicals cannot be allowed to seep into watercourses, because they would cause immense environmental damage.

Current regulations do not require battery storage planning applications to be referred to the Environment Agency, the Health and Safety Executive or, indeed, the fire service. Planning permission is being granted near nurseries, hospitals, houses, rivers and even industrial chemical manufacturing plants. In my constituency, a battery facility has been granted planning permission on Basing fen, metres away from the headwaters of the River Loddon, close to a hospital and near the town

centre. The application was only spotted by assiduous local residents and local councillors Kate Tuck—who is with us today—and Onnalee Cubitt when a further application was submitted for a larger site. Should a fire break out at the storage facility on Basing fen, the water used to cool the plant would flow straight into the River Loddon. There is no requirement for a storage tank for firewater. Toxic water would continue to wash downriver towards the Thames.

A battery fire can produce a cloud of dangerous gas—hydrogen fluoride, methane and carbon monoxide. If the vapour cloud from a battery fire meets an ignition point, it can explode, as happened in Arizona in 2019; fire officers tackling that battery fire suffered life-changing injuries when the unit exploded. That fire was far from unique. Thermal runaway events occur in almost every country in which battery storage is used. Even South Korea, a pioneer in the development of battery storage, experienced 23 major battery fires between 2017 and 2019. Nearer to home, in September 2020 a battery storage facility fire in a residential area in the constituency of the hon. Member for Liverpool, West Derby (Ian Byrne), a stone's throw from a nursery, caused a violent explosion that blew debris up to 20 metres. It took 59 hours for the fire to be put out, during which residents were asked to keep their windows and doors closed because of the billowing smoke.

We need lithium-ion battery storage facilities, but they must be seen correctly for what they are: highly complex, with the potential to create dangerous events and hazardous substances. The good news is that we do not need new regulations; we simply need to better use the regulations we have. We already have robust legislation, the Planning (Hazardous Substances) Regulations 2015 and the Control of Major Accident Hazards Regulations 2015. My Bill would correctly apply those regulations to battery storage sites.

We have to heed warnings from experts such as Dr Wade Allison, professor of physics at Oxford University, who said that

“although batteries are essential to our world, naively multiplying them while ignoring safety questions is dangerous and negligent. That is what is happening. Large-scale battery energy storage systems should be classed as hazardous establishments in order to be regulated appropriately”.

By correctly categorising industrial lithium-ion batteries as hazardous, my Bill would ensure that the Environment Agency and the HSE were consulted during planning applications.

Furthermore, Phil Clark, the emerging energy technologies lead at the National Fire Chiefs Council, has called for

“developers to engage at the earliest opportunity with the local Fire and Rescue Services.”

He explains that

“the National Fire Chiefs Council are still learning about the potential impact of the exponential introduction of lithium batteries. Without an understanding of the risks and appropriate control measures required, we risk as a society creating the next legacy fire safety issue”—

his words, not mine. My Bill would make fire and rescue services statutory consultees for all battery storage facilities.

The evidence shows that the current regulations for lithium-ion battery storage facilities do not reflect the true risk. I urge the Government to support my Bill today and to announce an immediate review of those

[*Dame Maria Miller*]

facilities that have already been constructed or that have planning consent, to ensure that they do not pose a threat to residents or the local environment.

I am not sure whether there is a Minister in place at the moment—maybe there is a Whip.

Sir David Evennett (Bexleyheath and Crayford) (Con) *indicated assent.*

Dame Maria Miller: I hope that somebody will agree to meet me to discuss action in more detail. We cannot allow lithium-ion battery storage facilities to continue as they are and become another legacy fire issue, with all the risks that that entails to the lives of the people we represent and the environment we want to protect. I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Dame Maria Miller, Ian Byrne, Mr Richard Bacon, Matt Hancock, Allan Dorans, Mrs Flick Drummond, James Gray, Alicia Kearns, Stephen Metcalfe, Mr John Baron, Valerie Vaz and Dame Diana Johnson present the Bill.

Dame Maria Miller accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 March 2023, and to be printed (Bill 152).

Financial Services and Markets Bill

[*Relevant documents: The First Report of the Treasury Committee, Future of financial services regulation, HC 141, and the responses, HC 690; Written evidence to the Treasury Committee, on Future of financial services, reported to the House on 6 September 2022, HC 141; Written evidence, taken before the Treasury Sub-Committee on Financial Services Regulations, on The Strong and Simple Framework, reported to the House on 10 August and 6 September 2022, HC 537; and Letter from the Governor of the Bank of England relating to the Financial Services and Markets Bill, dated 27 July 2022.*]

Second Reading

Madam Deputy Speaker (Dame Rosie Winterton): I inform the House that neither of the reasoned amendments has been selected.

2.49 pm

The Economic Secretary to the Treasury (Richard Fuller): I beg to move, That the Bill be now read a Second time.

The provisions of the Bill create the conditions for the United Kingdom to roll back or reform all European Union legislation for financial services that remains on our statute book. The Government will move at pace to implement a more agile and more internationally competitive set of rules that will harness the potential of UK financial services to stimulate growth across the United Kingdom.

Financial centres in the European Union, in the United States and across Asia are engaged with the United Kingdom in a global competition to attract financial services expertise, and to be the most successful in adopting the benefits of technology-driven change that may radically alter the shape and reach of financial services. The Bill will enable the United Kingdom to assert its leadership, and to drive forward change to capture a greater share of the global market for financial services. As the Prime Minister has said, the financial services sector is the

“jewel in the crown of the UK economy”,

and we are committed to supporting its ability to realise its full potential. An effective, efficient and easily accessible financial services sector is a vital foundation for the ease of daily life and for the national economy. The Government are therefore taking forward an ambitious set of reforms in this landmark Bill.

Caroline Lucas (Brighton, Pavilion) (Green): The Bill contains a new statutory objective on competitiveness and growth, which ranks those elements above the UK’s legally binding nature and climate targets. Given that a thriving economy depends on a thriving environment, will the Minister look at this again and consider introducing a climate-and-nature-specific statutory objective as well, so that there are two statutory objectives rather than a statutory objective and a regulatory principle, which are not the same thing?

Richard Fuller: The hon. Lady is right to point to the importance of the objectives that are set for the regulators in financial services, but surely she will accept that the most fundamental principle for each of them should be the stability of financial services in the United Kingdom,

and we pay regard to that in the Bill. We have added, as she pointed out, some focus on global competition and on achieving growth across the United Kingdom. Those are the fundamental demands that the British people have of the financial services sector. However, it is important that we have regard to the issues that the hon. Lady has mentioned, and I am sure we will discuss them, and the priority that should be attached to them, in more detail in Committee.

Chris Grayling (Epsom and Ewell) (Con): May I pursue the point about environmental issues? I take my hon. Friend's point about the need to secure the stability of the sector—that is not in dispute—but one of the things we have not done in this country is to take steps to place a duty on financial institutions not to invest in businesses that support deforestation around the world. Our combat against deforestation has run through a range of policies that the Government have pursued, and it should be continued. I will be asking my hon. Friend, as we go through this process—ahead of, possibly, tabling amendments on Report—to consider placing such a duty on the financial services sector, so that before it invests internationally, it at least asks the question “Will this lead to deforestation?”

Richard Fuller: I am grateful to my right hon. Friend for that addition to the debate. It is clear that there is interest in the House in debating the priority that is given to these particular issues, and I look forward to hearing the contributions of my right hon. Friend—and those of Opposition Members—in Committee, to establish whether we have got these matters right.

Dame Angela Eagle (Wallasey) (Lab): Will the Minister give way?

Richard Fuller: I will give way one more time, and then I will make a little progress.

Dame Angela Eagle: There is much on the Bill for which I think there will be cross-party support, but there are some elements that worry me, and I wonder whether the Minister can reassure me about them. I refer to the Henry VIII powers, and the fact that a great deal of extra power will be given to the regulators and the Treasury. I worry about a lack of appropriate accountability to the House. Can the Minister give us some reassurances on the Henry VIII powers, and can he give us proper undertakings that he is not creating a system that will leave the House out?

Richard Fuller: Not surprisingly, the hon. Lady has put her finger on one of the most fundamental elements of the debate that we need to have on the Bill, which is the accountability of regulators, as expressed through the House and, if I may say so, through the Government. I can assure the hon. Lady that that will be a fundamental part of our debate throughout the Bill's progress, and, indeed, I will say more about it later in my speech.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): Will the Minister give way? This is further to that point.

Richard Fuller: If it is further to that point, of course I will.

Emma Hardy: I think that one of the points made by my hon. Friend the Member for Wallasey (Dame Angela Eagle) was not just about regulation post-Brexit, but about the power grab in the Treasury. Clause 3 deals with the Treasury's powers during the transition, and it states that the primary legislation in schedule 1 will be bypassed, with powers given directly to the Treasury because of the need to move EU regulations speedily into domestic law. That, I think, is where one of the problems lies. It is a question of how much power is going directly to the Treasury and bypassing Parliament entirely.

Richard Fuller: The hon. Lady has made a useful point. She has identified the fact that there is an extensive amount of change in this Bill. As we repeal EU legislation, there will clearly be some measures on which there is a common view that they can easily be repealed and are unnecessary. It is right that the Treasury, and the Government, should be able to take those actions directly. Equally, there will be measures that will require full consultation by the House through secondary legislation, and I can give a commitment that that will be done apace, but with the ability for parliamentary colleagues to debate those measures fully. It is important that we achieve the primary objective of the Bill, which is to make the United Kingdom a solid global financial service centre.

In fact, the Bill has five objectives. They are to implement the outcomes of the future regulatory framework review, which involves reshaping our regulatory and legislative regime as an independent state outside the EU; to bolster the competitiveness of UK markets and promote the effective use of capital; to promote the UK's leadership in the trading of global financial services; to harness the opportunities of innovative technologies in financial services; and to promote financial inclusion and consumer protection. I will take each of those in turn.

Let me deal first with the implementation of the outcomes of the FRF review. Clause 1 and schedule 1 repeal retained EU law for financial services so that it can be replaced with a coherent, agile and internationally respected approach to regulation that has been designed specifically for the UK. This will build on the existing model established by the Financial Services and Markets Act 2000, which empowers our independent regulators to set the detailed rules that apply to firms. They do this while operating within the framework and guard rails set by the Government and by Parliament.

Schedule 1 contains more than 200 instruments that will be repealed directly by the Bill. While in some cases these rules can simply be deleted, in many areas it is necessary to replace them with the appropriate rules for the UK, in our own domestic regulation. These instruments will therefore cease to have effect when the necessary secondary legislation and regulator rules to replace them have been put in place.

As we have already heard from Members today, giving these measures effect will require a significant programme of secondary legislation to modify and restate retained EU law. I can confirm that in most cases, this will be subject to the affirmative procedure in the House.

Peter Grant (Glenrothes) (SNP): I welcome the Minister to his new post. Is it not a fact—I mention this partly for the benefit of those watching our proceedings who

[Peter Grant]

may be unfamiliar with it—that the House has the choice of taking or leaving each piece of secondary legislation that is presented to it, and Parliament will have no opportunity to amend secondary legislation if it does not think it is good enough?

Richard Fuller: As the hon. Gentleman will know, there will be plenty of opportunities for him to review each of the 200 measures in Committee, should he so wish, and to make recommendations. He will also be aware that the Government have already undertaken significant consultations with industry and others, and that there are ongoing reviews of a number of measures that are in place, some of which are contained in schedule 2. I do not feel that what he fears will actually be the case. There will be a process of consultation on a number of these measures, and there will be ample time for questions to be asked in the House as those consultation proceed.

As I have said, we have already undertaken fundamental reviews in some areas to ensure that we are seizing the opportunities of leaving the European Union, and this Bill delivers their outcomes. Let me touch on these briefly.

The Bill gives the Treasury the powers to implement reforms to Solvency II, the legislation governing prudential regulation for insurance. The Government are carefully considering all responses to their recent consultation and will set out their next steps shortly. The Bill also allows the Government to deliver on the outcomes of the UK's prospectus regime review, taking forward key recommendations from Lord Hill's UK listings review. These reforms will ensure that investors receive the best possible information, help to widen participation in the ownership of public companies and simplify the capital raising process for companies on UK markets. This can help to boost the UK as a destination for initial public offerings and optimise its capital raising processes.

The Bill also delivers, through schedule 2, the most urgent reforms to the markets in financial instruments directive—MIFID—framework, as identified through the wholesale markets review. It will do away with poorly designed and burdensome rules, such as the double volume cap and the share trading obligation, which will allow firms to access the most liquid markets and reduce costs for end investors. We intend to bring this into effect shortly after Royal Assent.

In reforming our regulatory framework, it is right to think about the regulators' objectives so that they reflect the sector's critical role in supporting the UK economy. For the first time, the Prudential Regulatory Authority and the Financial Conduct Authority will be given new secondary objectives, as set out in clause 24, to facilitate growth and international competitiveness. The FCA and the PRA will do this within an unambiguous hierarchy that does not detract from their existing objectives.

It is critical that these new responsibilities for regulators are balanced with clear accountability both to the Government and to Parliament. This is addressed in clauses 27 to 42, alongside clause 46 and schedule 7. The Bill includes new requirements for the regulators to notify the relevant parliamentary Committee of a consultation and to respond in writing to formal responses to statutory consultations from parliamentary Committees.

The regulators are ultimately accountable to Parliament for how they further their statutory objectives, so these measures recognise the importance of the Committee structure for holding the regulators to account. While I welcome the new Treasury Select Committee Sub-Committee, it is ultimately for Parliament to determine the best structure for its ongoing scrutiny of the financial services regulators.

Mark Garnier (Wyre Forest) (Con): I was on the Treasury Committee a number of years ago when we were looking at the Financial Services Act 2012, when competitiveness was not properly addressed. Is my hon. Friend convinced that the Treasury Committee will be able to instil a sense of urgency in the regulators and convince them that competitiveness is incredibly important? It is one thing to hold the regulators to account, but another to be able to drive them to implement the will of Parliament.

Richard Fuller: My hon. Friend opens up what was an area of particular personal interest to me when I was a Back Bencher, and I therefore feel tempted to stray, during what might be my rather temporary position on the Front Bench—[HON. MEMBERS: "No!"] That was a cheap attempt for a laugh, but if I may just say this without straying too far, I think it is recognised across the House that the role of Parliament in holding regulators to account needs further investigation. The Bill is quite remarkable because we are building on a structure from the year 2000 that put tremendous power in the hands of the regulators. We think that is right. We do not think that we should have the same prescriptive statute-based approach as the European Union, because we feel that is too rigid, does not promote competition and does not help growth. But we must recognise, as we take the Bill through the House, that we have a responsibility carefully to ensure that those structures of parliamentary oversight are appropriate.

Alison Thewliss (Glasgow Central) (SNP): I very much enjoy serving on the Treasury Committee, but it has an incredibly busy agenda. What the Government are doing here is taking a huge amount of scrutiny of incredibly important structural issues relating to financial services from 650 Members of Parliament and giving it to a Committee of 11 and a perhaps yet smaller Sub-Committee. Does the Minister really think that is adequate?

Richard Fuller: The hon. Lady tempts me to talk beyond what is really the responsibility of the Government. She is raising questions that are correctly and appropriately for the parliamentary authorities to respond to. On her more general point about whether the system is correct to rely on the regulatory framework that was established in 2000, I think the answer is absolutely yes. As I have just mentioned, it provides the ability for an agile, pro-growth, competitive set of financial services regulations, and I believe that Parliament itself is capable of providing that democratic oversight over the regulators. If she is concerned about that, I encourage her to take it up with the parliamentary authorities in the usual way.

So I welcome the Treasury Sub-Committee. I have said that ultimately it is for Parliament to determine the best structure for the ongoing scrutiny of financial services regulators. The Bill also includes a new power for the Treasury to require the regulators to review their

rules when that is in the public interest. Following any such review, the final decision on potential action would be for the regulators to make.

Following the repeal of retained EU law, the Government will have no formal mechanism to bring public policy considerations directly into rule-making. It is right for the democratically elected Government of the day to be able to intervene in a matter of financial services regulation where there are matters of significant public interest. The Government's intention is therefore to bring forward an intervention power that will enable Her Majesty's Treasury to direct a regulator to make, amend or revoke rules where there are matters of significant public interest. The Chancellor will take a final decision on the precise mechanics of the power and the Government will table an amendment in Committee.

Let me now turn to the Bill's second objective: bolstering the competitiveness of UK markets and promoting the effective use of capital. I have already spoken about the improvements to the UK's regulation of secondary markets in this Bill through reforms to the MIFID framework in the wholesale markets review. These changes will lower costs for firms and align our approach with that of other international financial centres such as the United States. To improve the smooth functioning of markets, we will introduce a senior managers and certification regime for key financial market infrastructure firms. We will expand the resolution regime for central counterparties to align with international standards, and enhance the powers to manage insurers in financial distress.

The next objective of the Bill is to strengthen the UK's position as an open and global financial hub. Outside the EU, the UK is able to negotiate our own international trade agreements, including mutual recognition agreements—MRAs—in the area of financial services. The Government are currently negotiating an ambitious financial services MRA with Switzerland. Clause 23 enables the introduction of any necessary changes through secondary legislation to give effective to this and to any future financial services MRAs. Schedule 2 contains measures that enable the United Kingdom to recognise overseas jurisdictions that have equivalent regulatory systems for securitisations classed as simple, transparent and standardised, allowing UK investors to diversify their portfolio while maintaining the level of protections they currently enjoy.

The Bill takes the UK further forward as a centre for financial markets technology. Clause 21 and schedule 6 extend existing payments legislation to include payments systems and service providers who use digital settlement assets that include forms of crypto-assets used for payments, such as stablecoin, backed by fiat currency. This brings such payments systems within the regulatory remit of the Bank of England and the payments system regulator, allowing for their supervision in relation to financial stability, promoting competition and encouraging innovation.

To foster innovation, clauses 13 to 17 and schedule 4 enable the delivery of a financial markets infrastructure sandbox by next year, allowing firms to test the use of new and potentially transformative technologies and practices that underpin financial markets, such as distributed ledger technology. In parallel, the Bill promotes the finance sector's resilience by allowing the financial service regulators to oversee the services that critical third parties provide to the sector.

Let me turn to the Bill's final objective, which I know will have the commendable focus of colleagues throughout the House: the promotion of financial inclusion and consumer protection. The Government will continue to foster an industry that supports everyone so that individuals do not feel left behind by the rapid advancement in financial technology. There is an extensive programme of ongoing work related to consumer protection, especially in the areas that were legislated for in the Financial Services Act 2021, such as buy now, pay later agreements and the FCA's rules on the consumer duty.

Stella Creasy (Walthamstow) (Lab/Co-op): The Minister is relatively new to his role, but he cannot help but be aware that it is now almost two years since this House recognised the real threat to our constituents' bank balances posed by buy now, pay later and its lack of regulation. There is agreement throughout the House that these legal loan sharks must be regulated. The Minister may say that this is a complex policy area, but political will and the cost of living crisis demand fast action. Why is the necessary regulation not in the Bill? It could have been the perfect vehicle, ahead of Christmas, when these companies will profit again, to act to protect our constituents.

Richard Fuller: The hon. Lady is right to talk about the urgency and complexity of the issue. She understands that it is complex and will invigorate us all to move as quickly as possible. I note that even as recently as 19 August the FCA has followed up with the buy now, pay later companies to remind them of the rules that they have to operate under, and that the Government have committed to bring forward the consultation on the draft legislation before the end of the year. I look forward to discussing matters further with the hon. Lady.

The 2021 Act made legislative changes to support the widespread offering of cashback without a purchase by shops and other businesses. Clause 47 and schedule 8 go further and give the FCA the responsibility to ensure reasonable access to cash across the UK. The FCA will have regard to local access issues and a Government policy statement on access more generally. The Treasury will designate banks, building societies and cash co-ordination arrangements to be subject to FCA oversight on this matter.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I very much welcome the provision in the Bill, because access to cash is an extremely important issue not only for rural communities that I represent but for deprived areas. Will the Minister make sure that when the various reviews and mechanisms are put into place they focus on the specific needs of rural and deprived areas in their determination of cash requirements?

Richard Fuller: My right hon. Friend is absolutely right. He will know that the question of access in urban areas is very different from that in rural areas. I can give him the assurance that he seeks.

Paul Maynard (Blackpool North and Cleveleys) (Con): I, too, welcome all the provisions, but will the Minister confirm that when he says "access to cash" what he actually means is free access to cash, not paid-for ATMs.

Richard Fuller: When I say “access to cash” I mean access to cash. My hon. Friend raises the question of whether that access should be free; that is a matter to which we will return in Committee, but I cannot give him that assurance at this stage.

As the country faces cost of living pressures, we must ensure that the door to affordable credit is open to all. The credit union sector plays a crucial role in this respect by delivering for its members and providing an alternative to high-cost credit. Clause 63 allows credit unions in Great Britain to offer a wider range of products and services to their members. To improve consumer protection, the Bill will strengthen the rules around financial promotions. Clause 62 enables the Payment Systems Regulator to mandate the reimbursement of victims of authorised push payment scams by payment providers, for all PSR-regulated payment systems, and places an additional duty on the regulator to mandate reimbursement in relation to the faster payments service specifically.

Clause 48 and schedule 9 give the Bank of England new powers to oversee wholesale cash infrastructure, to ensure its ongoing effectiveness, resilience and sustainability. Clause 47 and schedule 8, on cash access, will ensure that the FCA has regard to local access issues and a Government policy statement on access more generally. The Treasury will designate banks, building societies and cash co-ordination arrangements to be subject to FCA oversight on this matter.

Emma Hardy *rose*—

Richard Fuller: I am afraid I am going to conclude.

This is a significant Bill and I look forward to the House considering each measure in detail as it makes its passage through Parliament. The Bill has a single vision: to tailor financial services regulation to the UK’s needs, to promote global competitiveness and innovation, and to contribute growth in our economy. I commend it to the House.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. Before I call the shadow Minister, I want to point out what is probably obvious, which is that this debate is very well subscribed. I hope that, in considering their speeches, right hon. and hon. Members will bear that in mind.

3.15 pm

Tulip Siddiq (Hampstead and Kilburn) (Lab): I thank the Minister and his officials for all the information about the measures in the Bill that they have shared in recent weeks and for how they have co-operated with me.

As the Minister said, the Bill implements the outcomes of the future regulatory framework review and attempts to set out a clear direction of travel for the regulation of the City post Brexit. It is important that the UK is able to take advantage of this opportunity to create a more competitive financial services sector and to strengthen our regulatory standards for financial stability and consumer protection outside the UK. After more than a decade of stagnant growth, averaging just 1.8% a year, and with

the current dangers that face our economy, enabling the City to thrive will be fundamental to the delivery of the tax receipts we need to fund public services and support people through the cost of living crisis.

We on the Opposition Benches broadly support the Bill as it stands. In particular, we welcome clauses 1 to 7 and 8 to 23, which empower the UK, the FCA and the PRA to tailor regulation to meet our needs outside the EU. The Labour party recognises that the City is now in a place very different from where it was in 2016. The consensus view across the sector now is that the ship has sailed on regulatory equivalence with Europe, but regulatory divergence with the EU has the potential to produce many opportunities for the sector and the wider economy, such as the reform of Solvency II to unlock capital for investment in the green transition.

EU regulation can often be over-restrictive, particularly in respect of financial technologies, as the Minister will know, and we welcome the fact that the Bill enables regulators to take a more outcomes-based approach to areas such as fintech. However, Europe will always remain an important market for our financial services sector. In 2021, exports of financial services to the EU were worth £20.1 billion—that is 33% of all UK financial services exports.

Since 2018, the value of UK financial services exports to the EU have fallen by 19% in cash terms, and there has been little progress in securing trade deals for our financial services around the world. I have to say to the Minister that the sector is disappointed that the Government have so far failed to finalise a memorandum of understanding on regulatory co-operation, or to negotiate with the EU for the mutual recognition of professional qualifications for our service sectors. I hope that when the Minister sums up he will tell us what impact he believes the Bill will have in securing those important agreements with the EU and boosting financial services exports more generally.

The Minister will know that I like to ask a series of questions when I deal with him, and I am afraid there is more to come. Let me turn to clause 24. We support the principle that there is a role for the FCA and PRA to advance international competitiveness and growth. We on the Opposition Benches are strongly committed to supporting the City to retain its competitiveness on the world stage and to ensuring that the UK remains a global financial centre outside the EU. But it is also right that financial stability and consumer protection remain the priority for regulators. Any compromise on those important objectives would be self-defeating.

Caroline Lucas: I completely accept the hon. Lady’s point about our being a competitive financial centre, but does she agree that there is a real opportunity to be a competitive green financial centre? As that opportunity is time-limited—other countries are moving faster than we are—does she agree that a secondary objective in respect of climate and nature will be essential to ensure that we regulate in a way that allows us to make the most of that potential?

Tulip Siddiq: I thank the hon. Lady for her intervention. I will come on to that issue later in my speech. It felt as though Conservative Members did not agree with her, but I agree with what she said.

Wera Hobhouse (Bath) (LD): Further to the previous question, does the hon. Lady agree that one does not exclude the other?

Tulip Siddiq *rose*—

Wera Hobhouse: I am referring to competitiveness and having a green agenda.

Tulip Siddiq: I had to think for a second about what the hon. Lady was referring to, but she is absolutely right. I agree with her on that, and I will address it a bit later in my speech.

The Opposition particularly welcome the inclusion in the new secondary objective of a focus on the medium-term and long-term growth of the UK economy. Financial services are already an important driver of growth in the UK, but much more can be done to support the sector to invest in companies in every sector and every region in the country, to deliver long-term growth and well-paid jobs in the real economy. I understand that clause 26 requires the PRA and FCA to report annually on the new secondary objective, but will the Minister confirm in his closing speech whether that will include being held to account specifically on the advancement of long-term growth in the real economy?

That brings me on to the provisions in clauses 27 to 46, which deal with accountability more broadly. The Bill facilitates an unprecedented transfer of responsibilities from retained EU law to the regulators. We recognise the need for a rethink of how the FCA and PRA are held accountable by democratically elected politicians and Governments. We particularly welcome clause 36, which will formalise and strengthen the role of the Treasury Committee in holding regulators to account. However, as my hon. Friends the Members for Wallasey (Dame Angela Eagle) and for Kingston upon Hull West and Hessle (Emma Hardy) said, we need to be able to scrutinise decisions taken by the Treasury, and I hope the Minister will elaborate on that. Any new powers allowing greater involvement of and policy input from Government in the FCA's and PRA's rule making process must be carefully balanced with the need to protect their regulatory independence. We will be scrutinising these provisions closely in the weeks ahead.

The UK's reputation for regulatory independence is a key driver of our competitiveness on the world stage, as I am sure the Minister will agree. Equally important, however, is ensuring that the City has a clear direction of travel on post-Brexit reform. I was worried about that, because over the summer the now Prime Minister made a series of off-the-cuff policy announcements and people around her were spreading rumours, which left the sector in a state of uncertainty about her Government's plans for this Bill. The Minister has today confirmed that the intervention powers, or so-called call-in powers, will be included in the Bill through an amendment. I am disappointed that the Government have decided to cause greater uncertainty in the City by introducing a significant change at this stage, and I hope he will reassure me that they will publish the details of these new powers as soon as possible. I would also be grateful if the Minister would confirm in his closing remarks whether the Government have plans to abolish the FCA and PRA. That would seem to undermine many of the provisions in the Bill.

I also wish to discuss the issue of access to cash and banking services, which some Members have spoken about. The Opposition broadly support the Bill, but we are concerned that there are some serious gaps in it as it stands. Of course, we strongly welcome clauses 47 and 48, which will finally, after years and years of Government delay, protect access to cash. The industry, and particularly the major banks, should be applauded for coming together to help protect cash services at the end of last year, in advance of this legislation being put on a statutory footing. But the Bill does nothing to protect essential face-to-face banking services, which the most vulnerable in our society depend on for financial advice and support.

On this Government's watch almost 6,000 bank branches have closed since 2015, and the "Community Access to Cash Pilots" report found significant overlap between those reliant on cash, estimated at about 10 million people, and those who need in-person banking support. Those without the digital skills to bank online, people in rural areas with poor internet connection and the growing number of people who are unable to afford to pay for data or wi-fi as the cost of living crisis deepens are at risk of being left behind. Banking hubs or other models of community provision, such as banking kiosks, will need to be part of the solution. These are spaces where dedicated staff can provide vital face-to-face support for those who need it, and tackle digital exclusion by teaching people how to bank online.

Siobhain McDonagh (Mitcham and Morden) (Lab): Does my hon. Friend share my concern that although a great deal is offered by the hubs, they do not deliver? They certainly do not for those of us who live in cities, as people require the bank most days if they are dependent on cash, and they are just expected to get the bus.

Tulip Siddiq: I agree with my hon. Friend, and I have seen examples of that in my constituency, especially the parts where people are from lower socioeconomic backgrounds.

Jim Shannon (Strangford) (DUP): The hon. Lady is outlining the case on behalf of those who live in rural communities, who comprise about 50% of my constituents. A number of banks have closed in our constituency—I believe there have been 10 or 11. Each of those banks—Danske Bank, Ulster Bank and all the others—has made exorbitant profits. I am not saying that they should not make a profit, because they should, but their profits are so high that they could well keep their branches open to ensure that people who live in a rural area can have access. Does she agree with me on that?

Tulip Siddiq: I agree with the hon. Gentleman's point, especially as regards constituents in rural areas. I hope the Minister will take on board the comments that are being made.

I was delighted to hear the announcement from the Cash Action Group this week that the sector will be launching additional banking hubs on a voluntary basis, but these services must be protected by legislation. Will the Minister kindly set out in his summing up when the Treasury will be publishing its cash access policy statement, and whether it will ensure that in-person services are protected under the legislation?

[Tulip Siddiq]

It is also disappointing that the Bill fails to address the growing problem of financial fraud. Labour fully supports clause 62, which enhances protection for victims of authorised push payment scams, but the Bill does nothing to strengthen fraud prevention. Under this Government, the amount of money stolen directly from the bank accounts of hard-working people and businesses through scams and frauds has reached an all-time high of £1.3 billion. That would be bad in a normal time, in the best of times, but it is especially bad when we are in the middle of a deepening cost of living crisis. This Government have completely failed to get to grips with modern fraud and scams, such as identify theft and online scams, which have seen people's lives stolen and their economic stability put at risk.

The former Business Secretary, who is now the Chancellor of our country, was asked about fraud earlier this year. He dismissed it, saying that fraud and scams are not a part of most people's everyday lives. That is breathtakingly out of touch. Why does he think that? It is shocking. Martin Lewis, the money saving expert, said at the time that

“denigrating the experience that people in this country have with scams, and the lives that have been lost or destroyed because of scams, is an outrage. And he must and needs to apologise if he has any shred of decency in him.”

We still have not received an apology from the Chancellor, but he can put things right by taking immediate action to rectify the amount of fraud and scams that people are facing. I ask the Minister to explain in his closing statement why his Government continue to fail to take fraud seriously and push responsibility solely on to the banks. The Bill ignores the fact that digitally savvy criminals are increasingly exploiting a range of financial institutions, such as payment system operators, electric money institutions and crypto asset firms, to scam the public. In his summing, can he also please explain why the Bill would only provide for the reimbursement of fraud victims who send money using the faster payment system, and why other payment systems have not been included? That seems baffling.

Another area in which I feel the Bill lacks ambition is support for the mutual and co-operative sector. While clause 63 contains some welcome and long-overdue provisions, such as enabling credit unions to offer a wider range of products, the Bill does little to address the outdated regulatory regime faced by credit unions, building societies and co-operative banks. We have seen numerous building societies threatened with demutualisation in recent years, while the number of mutual credit unions has plummeted by more than 20% since 2016. Unlike the USA and many other European countries, the UK is uniquely lacking in mutually or co-operatively owned regional banks. That lack of diversity in the financial services sector has had devastating consequences for financial inclusion and resilience, with many desperate families forced into the arms of unethical lenders. I have seen that first hand in my constituency, especially in Kilburn.

A clear first step in addressing this issue would be to require the Financial Conduct Authority and the Prudential Regulation Authority to have an explicit remit to report on how they have considered specific business models, including credit unions, building societies and mutual

and co-operative regional banks, to ensure they are given parity of esteem with other providers. I would be grateful if the Minister addressed that in his closing remarks—I recognise that I have asked many questions that I want him to answer.

Turning briefly to food speculation, Global Justice Now has brought to my attention concerns that the Government's proposed reform to the position limits regulations under MiFID II have not been adequately assessed for commodity market speculation risks. I ask the Minister to provide some reassurance that these reforms will not adversely impact commodity prices, such as energy and food prices, in the midst of a cost of living crisis, and to explain what role the regulators will play in monitoring this.

Finally, turning to the points that have come from the Opposition Benches, it is striking how little the Bill has to say about green finance. We of course welcome clause 25, which formalises the responsibilities of the FCA and PRA under the Climate Change Act 2008—introduced, I remind the House, by the last Labour Government—but the Government promised much more radical action. Indeed, we were promised that the UK would become the world's first net zero financial centre, but instead, we are falling behind global competitors.

A recent report from the financial services think tank New Financial revealed that the UK is a long way behind the EU in both share and penetration of green finance in capital markets. It is possible that the Minister has not read that report; I am happy to send him a copy. If he reads it, he will see that it says in black and white that the UK is behind the EU. It found that green finance penetration in the UK was at half the level of the EU, and roughly where the EU was four years ago. When the Minister closes, if he does not agree with me, will he please explain why nothing in this Bill commits the Government to introduce sustainability disclosure requirements, a green taxonomy plan, or a green finance strategy for the sector? If he does not agree with the report I have quoted, could he tell me whether it is wrong?

I look forward to debating and, hopefully, addressing these issues with the Bill when it is in Committee. Once again, I thank the Minister in advance for his closing remarks, which I am sure will give detailed answers to all the points I have raised today.

3.32 pm

Rishi Sunak (Richmond (Yorks)) (Con): It is a pleasure to contribute to this debate—albeit from a few rows further back than I had originally anticipated—and to follow the hon. Member for Hampstead and Kilburn (Tulip Siddiq). I start by paying tribute to my hon. Friend the Member for Salisbury (John Glen) for the fantastic work he did as the longest-serving City Minister to get this Bill into the fantastic shape it is in, where it is now admirably shepherded through Parliament by his very worthy successor, my hon. Friend the Member for North East Bedfordshire (Richard Fuller). I also pay tribute to the fantastic team of officials, led by Gwyneth Nurse, who have spent the best part of the past year preparing what is, I believe, the most radical and significant piece of financial services legislation that this House has seen in years, if not decades.

There is so much in the Bill to comment on that in the interests of time, I will briefly focus on three things. First, the Bill appropriately seizes the opportunities of Brexit to scrap retained EU law and move to an agile system of regulation that is tailor-made for the UK. Secondly, it reforms regulations to make sure that we support economic competitiveness. Lastly, it keeps the UK at the forefront of harnessing innovative technologies and makes sure that we keep pace in a fast-moving sector.

Peter Grant: Will the right hon. Gentleman give way?

Rishi Sunak: Not for now.

First, on Brexit, with the future regulatory framework, the Bill represents a significant move away from relying on retained EU law as a means of regulating the UK's financial services sector. Clause 1 provides for a full sweeping away—a full revocation—of essentially all the retained EU law concerning financial services in the UK. This is radical and this is right. Indeed, it is what Brexit was all about and this Bill delivers it.

We will move appropriately to the Financial Services and Markets Act 2020 model where the Government set the overall policy approach and delegate the operational implementation of those regulations to the independent regulators. As my hon. Friend the Minister said this is the internationally respected gold standard for how to do this. I was pleased to hear the Minister comment on the call-in power, and I urge him and the Government to quickly bring forward the means for that power, because both my hon. Friend the Member for Salisbury and I believe it is the right thing to do. We talked about accountability earlier in this debate. It must be right for a democratically elected Government, with the consent of this House, on an exceptional basis, to intervene on financial regulation in the public interest, and I hope that the Government will follow through with those plans.

On what this Bill does to support competitiveness, for the first time, our financial regulators will have a new statutory objective to support international competitiveness and growth, moving us in line with jurisdictions such as Australia, Singapore, Japan and Hong Kong. There will be new statutory panels to give better external scrutiny and challenge on the regulators' cost benefit analyses. We heard much about the Markets in Financial Instruments Directive over the past several weeks and I am pleased that the Bill brings forward those reforms to MiFID: to remove restrictions such as the double volume cap when trading in wholesale capital markets to improve pricing for investors; to modify the transparency regime in fixed income and derivatives to remove unnecessary burdens; and to modify the commodities position limits so that market activity is not unreasonably restricted.

There are three areas on which I urge the Government to consider going further than I think we heard in the Minister's opening remarks. First, to improve the efficiency of capital markets raising, there is an opportunity to reform European regulations in the prospectus directive. I hope the Government will bring forward draft statutory instruments for us to consider during the Bill's passage. Secondly, the European packaged retail and insurance-based investment products directive is ripe for reform. I suggest repealing PRIIPS and replacing it with a tailor-made

regime specifically for UK markets. This will eliminate a counterproductive regulation, broaden the range of products available for UK investors and, indeed, increase UK retail participation in our financial markets.

Nick Smith (Blaenau Gwent) (Lab): Does the right hon. Gentleman think that the Bill sufficiently challenges the Financial Conduct Authority to speak up and support consumers?

Rishi Sunak: Yes, I do: the Minister touched on provisions that increase consumer protection. My hon. Friend the Member for Salisbury spent a lot of time ensuring that consumers would have that protection, particularly with regard to scams, as the Minister outlined in his opening remarks. That is an area that needs attention.

Thirdly, on ringfencing, I suggest that the Government not only accept the recommendations of the independent Skeoch review, but consider going further. I know that this is a Government with a deregulatory zeal for growth, so I suggest two areas in particular: first, to review the threshold limits, which have not been looked at since they were initiated; and secondly, to take a fundamental look at the ringfencing regime in light of the fact that it was established after the financial crisis and that we now have a full stand-alone resolution regime.

It is worth recalling that more than half of Europe's fintech unicorns are based in the United Kingdom, so it is important that the Bill continues to support innovation. I am pleased that it does so in two specific areas. It builds on our pioneering and world-leading regulatory sandbox to include the opportunity to pilot new sandboxes for distributed ledger technology in financial market infrastructure. That has the potential not only to lower costs and improve efficiency, but to improve financial stability. I am glad that the Government are also proceeding to bring stablecoins into the payments legislation, because that will create the conditions for stablecoins issuers and service providers to operate and grow in the UK.

I ask the Minister and the Government to consider implementing all the fantastic ideas that were contained in the speech by my hon. Friend the Member for Salisbury in April regarding blockchain and crypto, notably proceeding with a sovereign gilt issue using distributed ledger technology, but also enabling the trading of exchange-traded notes on crypto on UK exchanges, where we risk falling behind Europe if we do not act.

Why does all this matter? It matters for three specific reasons. The first is jobs. The industry provides more than 1 million jobs, and not just in London and the south-east; two-thirds of those jobs are in places such as Southampton, Chester, Bournemouth, Glasgow, Belfast, Edinburgh and Leeds. It is incredibly important. Secondly, it is one of the most important industries for our economy in terms of contribution to our GDP and tax revenues, and it is something that we as a country are genuinely world-class at. There are only a handful of industries where a country can say that, and financial services is one of those for us. It deserves the support of hon. Members on both sides of this House to ensure its continued success.

Lastly and most importantly, this Bill serves as a template for what the Government want to do across the rest of their business. It takes advantage of the opportunities of Brexit, radically reforms our regulations

[Rishi Sunak]

to support innovation, growth and investment, and, although I would like the Government to go even further, it has my full support.

3.41 pm

Peter Grant (Glenrothes) (SNP): It gives me pleasure to speak on this Bill on behalf of the Scottish National party. I am going to agree with the former Chancellor, the right hon. Member for Richmond (Yorks) (Rishi Sunak), for the first and probably the last time in either of our careers, in placing on record my thanks to his colleague the former Economic Secretary to the Treasury, the hon. Member for Salisbury (John Glen), for the constructive and courteous way in which he conducted a large number of debates with me during his time in office.

When the SNP decided to table a reasoned amendment asking the House not to give this Bill a Second Reading, we did so with a significant degree of reluctance, because there is a lot in the Bill that we see as not only desirable, but essential and, in some cases, long overdue. It is disappointing that the Government have chosen to package them with other provisions that give us very serious concern, and to package them in such a way that it will probably prove to be impossible to amend the Bill to take out the damaging parts.

For example, we welcome the provisions relating to the regulation of digital settlement assets or cryptocurrencies and on access to cash—we would have welcomed them several years ago, if the Government could have been bothered to bring them in. Our only real concern is that they do not yet go far enough. However, the dangers posed by other more substantial parts of the Bill are so great that they may be too high a price to pay to get those necessary pieces of legislation on the statute book.

In the Queen's Speech we were promised a Bill that would,

"strengthen the United Kingdom's financial services industry, ensuring that it continues to act in the interest of all people and communities".

This Bill does not do that. In fact, the former Chancellor has confirmed what the Minister strongly hinted at: the Government's main objective here is to force through a damaging, totally unnecessary divergence from our European Union neighbours, for no other reason than that they can.

The very first sentence in clause 1, which the former Chancellor thinks is a great idea, invites us to wipe out well over 200 pieces of legislation with no idea what will replace them. The Bill gives the Treasury the power to decide when and if each of those 200-plus laws is revoked and the Treasury gets the power to decide when, if ever, it will bring forward replacement legislation for them. Despite the Minister's apparently not understanding our concerns earlier on, if that is done through secondary legislation in delegated legislation Committees, there will be no opportunity for the House to amend it, to make it better or to insist on legislation's coming forward if the Government do not want to bring it.

The Bill gives the Treasury the power to amend or revoke Acts passed by this whole Parliament, and to revoke laws passed under devolved authority by the

elected national Parliaments and Assemblies of three quarters of the supposedly equal partners in this Union. A Treasury whose Ministers were appointed by a Prime Minister who got the first-choice votes of 14% of her own Members of Parliament will be allowed to overrule Parliaments elected on a franchise of more than 8 million citizens. How can that be anything other than an unacceptable power grab? That is because of the Government's obsession with purging our four nations, even those that wanted to stay in, of anything that they regard as tainted by contact with the European Union.

There has not been any attempt to sift the 200-plus pieces of retained EU law to identify which are helpful and necessary and which are potentially damaging. If it has an EU tag, it has to go. There is even a sweep-up provision in part 5 of schedule 1 that says that if they discover any other EU legislation hiding somewhere that was missed from the schedule, that will automatically go as well. We have literally been asked to agree to revoke legislation that none of us knows is there. Even the people who drafted the Bill do not know what that legislation might say. That would be a gross abdication of our responsibility as Members of Parliament.

I find it comical that barely 24 hours ago the sacked Prime Minister was still spouting nonsense about getting Brexit done. Now we are told that not only are there hundreds of bits of Brexit that have not been done yet—and that is only in financial services and markets—but that no one knows where they all are, how many there are or what they say. Brexit has not been done by a long chalk.

Turning to the specific powers in other parts of the Bill, we generally welcome the new regulatory powers and related matters in part 2, but the Minister will appreciate that we will want to look closely at the detail in the Bill Committee. I am concerned that the Committee will be pushed for time, despite the number of days that it has been allocated. Members will be well aware of concerns I have often raised about the inadequacies of the Financial Conduct Authority's powers and resourcing, as well as its reluctance to use the powers that it has.

The Labour spokesperson mentioned the lack of effective anti-fraud measures in the Bill, which is a major concern. Financial fraud and scams are becoming a bigger menace every day, and they hit hardest the people who can least afford to be hit. Something I have noticed about a lot of the financial scams I have looked into on behalf of my constituents is that they have features that are not immediately obvious. They often involve company directors effectively soliciting loans from the general public in order to finance their own investments. Rather than put their own money at risk, they put someone else's money at risk. If the investment goes well, the directors win; if it goes badly the victims lose and the directors walk away Scot free. That was an obvious feature in the Blackmore Bond scandal, but exactly the same thing happened with Safe Hands funeral plans. Safe Hands appeared to be a funeral plan scam, but that was not the case. The company blatantly lied to its customers about how their money would be safeguarded, and it used it to invest in potentially profitable but high-risk offshore investments. Although it appeared at first glance to be a funeral plan, Safe Hands was in fact a good old-fashioned financial services scam.

When Safe Hands was on the way down, regulations were coming into force that meant that funeral plan providers had to be registered with the Financial Conduct Authority, which I warmly welcome. However, we should provide the same degree of regulation and the same protection to customers for other “pay now, collect later” schemes. If a customer gives their money to a company that blows it and they lose their money, it does not matter whether they thought their money would fund at some future date the cost of a funeral, a wedding, their children going to university, or anything else. The risks are the same and the opportunities for fraud are the same, so the protection offered to customers should be the same in all those schemes.

We should not have to go through measures industry by industry picking up where scams take place. The key point is that it is not about the product or service that the company claims to be selling—it is about making sure the customer’s money is kept safely until the time comes for that product or service to be provided. We should legislate to prevent company directors from gambling recklessly with money that belongs to their customers. It is possible to address this with a fairly simple amendment to proposed new section 71K of the existing Act, and I hope to have an opportunity to table that in Committee.

There is more that we could do with a bit of imagination. I like the idea of designated activities as well as regulated activity—that is a positive step. There are ways that we could significantly improve the accountability of companies carrying out designated activities and, importantly, improve enforcement against those that go rogue. We could reduce the exemptions that they have, which many of them abuse to avoid having to produce meaningful financial statements. We could look at extending the circumstances in which directors of high-risk companies can be held personally liable for their faults.

I realise that the disjointed way that the UK regulates businesses means that those things fall under the remit of the Department for Business, Energy and Industrial Strategy rather than the Treasury, so it may not even be competent to introduce them for consideration in Committee, but I ask the Minister and his BEIS colleagues to find a place in the Government’s legislative programme as soon as possible for these things to be considered. Too many directors of dodgy companies carry on with their scams because they think they can get away with it, and far too often they can.

As the Minister knows, because he responded to the debate, I spoke this morning in Westminster Hall about the regulation of cryptocurrencies. Incidentally, that is a good example of the fallacy in one of the arguments that the Minister advanced earlier. When we are talking about businesses, growth and stability are not the same thing. Some cryptocurrencies had almost supersonic growth and then evaporated. They had high growth but no stability whatsoever. Growth and stability may both be desirable—although, as the hon. Member for Brighton, Pavilion (Caroline Lucas) keeps reminding us, there have to be conditions attached to that growth and it has to be sustainable—but to conflate the two is a serious mistake.

The debate on cryptocurrencies is a useful reminder that the way that financial markets operate is changing at an almost bewildering rate. In fact, it is becoming difficult to define exactly what we mean by financial services and financial markets. The Bill makes provision

for the Treasury to allow limited testing of new technologies or practices. It is effectively trying to legislate for things that have not been invented yet. I think the approach taken in clauses 13 to 17 is a sensible way forward, but we will be looking very closely at how the use of those powers is scrutinised. For example, Members should be aware, if they are not already, that clause 15 as currently worded will allow the Treasury to amend certain Acts of Parliament on the basis of a pilot test in one of the sandboxes without even waiting for the test to be completed to see what the results are.

Let me move on—briefly, because I am aware of the shortage of time—to some of the other matters covered by the Bill. I am extremely alarmed at the confirmation that the Government want to allow Ministers to call in and potentially overrule decisions by the regulators. Either our regulators are independent or they are not. The regulators must be accountable, but their accountability should be to Parliament. Accountability to a Minister is not the same as accountability to Parliament; it is a very poor substitute.

I share the concerns that have been raised about the lack of emphasis on sustainability, green finance and compliance with our climate change obligations. I also share the concerns that the provisions on access to cash do not go far enough and probably will not lead to action quickly enough. As I mentioned, the anti-fraud measures in the Bill are wholly inadequate.

The Government appear to think that the biggest problem facing financial services regulation is that parts of it were designed and implemented in partnership with our nearest neighbours and trading partners. I think the biggest problem is that, again and again, the regulators fail to act, or act so slowly that it is far too late, and effective enforcement becomes almost impossible. I remind the House that about half of the £46 million lost in the Blackmore Bond scandal was paid by customers to the company after the Financial Conduct Authority had been not only given full details of what the company was up to, but told exactly where and when it could go to witness its illegal activities at first hand. It did nothing for three years.

The Financial Conduct Authority tells us that it does not have sufficient powers to act in the way we would like it to act. It is certainly obvious to all of us that it does not have the resources to properly carry out the responsibilities we ask it to carry out just now, let alone the new ones we intend to give it. At the moment the Bill does not address that.

We will not oppose Second Reading this evening, but that should not be taken as a guarantee that we will allow the Bill to be read the Third time unopposed. If the Minister wants our support in the Bill’s final stages, he has a long way to go to persuade us that it will make things better, rather than worse, for the victims of financial crime.

Madam Deputy Speaker (Dame Eleanor Laing): I call the Chair of the Treasury Committee, Mel Stride.

3.54 pm

Mel Stride (Central Devon) (Con): I rise to broadly support the Bill. I echo the congratulations of my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) to my hon. Friend the Member for Salisbury (John Glen) on all his work, and I thank him for his

[*Mel Stride*]

appearances before the Select Committee in that regard—he probably bears the scars. I also welcome my good friend the Minister to his place and I thank him for setting out the Bill's provisions with such clarity in his opening remarks.

The Bill occurs because of Brexit—because of the opportunities and the new freedoms that we have as a consequence of leaving the European Union. We have heard much about solvency II in this debate and more widely when we have discussed the new regulatory landscape that we are moving into. My right hon. Friend the Member for Richmond (Yorks) presented us with a rich tapestry of additional ideas about where he believes that the Government can go still further, which makes me feel that we should perhaps have him before the Treasury Committee again to tell us more about that; that might be a recurrent nightmare for him, however, so perhaps we will not inflict it on him at this moment.

With that greater freedom comes the critical issue of scrutiny by Parliament and by Government. When it comes to scrutiny by Parliament, I believe that the Treasury Committee is and should remain right at the centre of that process. We are moving from a bureaucratic, committee-based process within the European Union that literally goes through regulation line by line. It is important that it does that in the context of what were 28 member states, because an element of negotiation is involved at every stage of the scrutiny of those regulations. We are in a different environment now; we can be much more flexible and nimble, but we still need to be effective in that regard, which is why the Treasury Committee should be at the heart of that process.

As has already been mentioned, we have set up a Sub-Committee that will look specifically at regulation as it comes out of the statute book and cascades down to the rulebooks and manuals of the regulators. We believe that we can be selective, nimble and appropriate in the way that we address that. The Sub-Committee will have the same powers as the full Committee to send for persons and to have oral hearings. In fact, we have already had our first hearing into the Prudential Regulation Authority's work around the strong and simple regime for the lighter-touch regulation of firms that do not come anywhere near the threshold for being potentially systemically important within the sector. In terms of staffing and resources, the Sub-Committee has the ability to, and will, take on additional resource by way of expert assistance, and it has the capacity to gear up and gear down as necessary, depending on the workload that comes its way.

I noted the Minister's comments about the statutory duty that will come in for the regulators to inform the Select Committee when a review is published, and for the regulators to respond to its various consultations as they occur. I suspect that the Select Committee will look at some possible amendments to that, because we will be particularly interested in making sure that we have the power and authority at the centre of this process to effectively carry out the things that we need to do in that area.

I turn to the Government's powers of scrutiny in the Bill, which touch on the balance between the independence of the regulators and the importance of holding them

to account, particularly in terms of seizing the opportunities of this post-Brexit world. Prior to the Minister's opening speech, my understanding was that there would be—as there is in the current Bill—a requirement that the regulators could be instructed by the Treasury to review rules on the basis of a public interest test and, in particular, where there had been significant market developments or where the rules were not meeting their requirements or purpose. It was to be used only in exceptional circumstances. At that point, if a review were held, as I understood it, it would not have been incumbent on the regulator to make any particular changes.

I think I heard the Minister say earlier, however, that an amendment will be tabled in Committee to allow the Treasury to have the power to direct the regulators to make changes, which is a significant shift. I know that that was welcomed a moment ago by my right hon. Friend the Member for Richmond (Yorks), and I understand the upsides of this. I think it is important that regulators are held to account, particularly when it comes to our competitiveness and so on. However, the questions arise: what is the threshold for this public interest test and how frequently will it be used? The fear must be there to some degree—this is something the Committee will want to look at very carefully—that this may be an overly overbearing power for the Treasury, which may impinge on the independence of the regulators themselves.

The Bill has the new secondary objectives for the FCA and the PRA, which I broadly welcome. I welcome the fact that they are medium and long-term objectives, not short-term objectives. I think that is very important because it means we are not going to take risks with the potential architecture, as it were, but focus on the medium and longer term when it comes to greater competitiveness. I also welcome the fact that they are secondary objectives and will not therefore interfere directly with the prudential objectives of those organisations.

Finally—I am aware of the time and know that many others want to speak—could I touch on the Bank of England and its mandate? I know that the Bank of England's remit or mandate does not feature directly in this Bill, but much has been said about it and the importance of its independence, and I want to underscore that importance in this debate. There was a period, going back some weeks and months, when perhaps because, understandably, many Members and those who are now in government may have looked at the Bank of England and said that, because inflation is so far adrift from its target of 2%, it is therefore entirely unfit for purpose. I do not subscribe to that view. I do not believe that the Bank has been perfect, but I think it has faced extraordinary situations that have made its ability to keep inflation down to about 2% really a task that no central banker could have achieved.

It will be vital that the Bank of England maintains its independence, that politicians are kept out of monetary policy and that Chancellors do not determine interest rates if we are going to have a credible approach to monetary policy and all the benefits that brings. As my right hon. Friend the former Chancellor has said at the Government Dispatch Box on occasion in the past, if we take a 20-year view of the Bank of England's performance, it has actually been spot-on at about

2%. Perhaps I can leave this debate with the thought that we must guard the independence of the Bank of England.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): Order. It will be obvious to everyone in the Chamber that a great many Members wish to speak and that we have limited time. However, we do have quite a lot of time, so I will have to put on an official time limit of seven minutes, but not quite yet. After the next speaker, who has had no notice of this, there will be a time limit of seven minutes.

4.2 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): Thank you, Madam Deputy Speaker, for the opportunity to speak in this important debate about these very significant issues of structural reform in our financial services, the accountability of our regulatory bodies and consumer protection. I am pleased that we have started to have some debate on the net zero policy and regulatory principle, and I want to endorse all the points made by my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq) in her important opening speech on green finance. Unfortunately, the Bill does fall short of what I believe is needed to protect consumers, and I want to speak about three key areas: first, access to cash; secondly, and briefly, mutuals and co-operatives; and thirdly, action for mortgage prisoners.

First, access to cash is an issue on which I have spoken before and led debates in Westminster Hall. It is right—finally, we can all be very pleased—that the Bill aims to protect people's access to cash and will introduce a legislative framework to ensure the continued provision of cash withdrawal and deposit facilities. I want to recognise the work that has been done by Access to Cash Action Group members, which have worked very hard on this issue, including Age UK, Toynbee Hall and banks such as HSBC, NatWest and Nationwide. It is a really important network, and it is right that they are taking steps voluntarily, but it is also important that there is an underpinning of legislation to back those steps. Indeed, the failure to act fast enough has cut millions of people off from a range of important vital services.

Last year I presented a petition to Parliament on behalf of constituents in Hounslow West in the light of the closure of the local Santander Bath Road branch. Since then, we have lost two more branches of Barclays in Feltham and Heston, leaving even more of my constituents without access to in-person banking services. I pay tribute to some of our local councillors—Councillors Bandna Chopra, Jagdish Sharma and Hina Mir—for raising this issue in their local wards, but the standard response we received from the banks was just not good enough. Around 6,000 bank branches have closed since 2015, yet the Bill does not seem to do anything to protect essential face-to-face banking services. It also makes no commitment to free access to cash—I was surprised that the Minister did not take the opportunity to confirm his commitment to that. It is important that the definition of the minimum distance between cashpoints is brought forward earlier, and I do not understand why the Minister cannot clarify the Government's position on that. Surely he must have a point of view.

I am a Labour and Co-operative party MP, and it is staggering that the number of mutual credit unions has plummeted by more than 20% since 2016. If we have learned anything from the pandemic, it is the importance of community and community solutions in our local and public services. Although the Bill contains some welcome and long-overdue provisions, such as enabling credit unions to offer a wider range of products, the Government's plans for the sector could be far more ambitious, and I wonder whether we could work cross-party on that issue. Labour has demonstrated an ambition to boost the size of the co-operative and mutual sector, and there is demand for that across the country.

I am a member of the Financial Inclusion Commission, and there is a slight frustration—or perhaps a bigger frustration when we consider the issues raised by Members across the House—that the Bill does not seem to prioritise financial inclusion as much as is needed, particularly given the cost of living crisis that we are now facing. In that context, I wish to raise the issue of mortgage prisoners. The Bill provided a vital opportunity for the Government to act to ensure that financial regulators are stronger in their ability to help mortgage prisoners. The UK's 195,000 mortgage prisoners took out their mortgages prior to the financial crisis, with fully regulated high street banks such as Northern Rock. They were kept trapped on high standard variable rates, before their mortgages were sold by the Government to mortgage loan sharks such as Cerberus, Tulip and Heliodor. They cannot switch to different lenders.

As co-chair of the all-party parliamentary group on mortgage prisoners, I have heard from key workers, many of whom risked their lives to work through the pandemic, about the personal consequences for them and their families of being trapped into paying high mortgage interest rates. Imagine how it must feel to be a nurse who took out a mortgage with a high street bank, only to find that their mortgage was sold on by the Government to a vulture fund that does not have to treat them fairly or offer them a good deal. Those mortgage prisoners are suffering financial devastation from interest rate rises to their already high standard variable rates, and that comes on top of the pressures of rising energy bills and the cost of living crisis.

One of my constituents is a mortgage prisoner whose mortgage was sold to Landmark Mortgages and is ultimately owned by Cerberus. They are stuck paying an SVR, and are not being offered any new deals. They have now seen a rise in the SVR from 4.39% to 5.89%, and they are therefore paying more than £9,000 more a year than they would if they were with an active lender. There is nothing they can do to gain any certainty over their mortgage payments. Many mortgage prisoners are terrified at the prospect of future interest rate rises. Prior to the financial crisis, the gap between the Northern Rock SVR and the base rate was 2.09%. Since 2009 it has been more than 4% above the base rate.

Kevin Hollinrake (Thirsk and Malton) (Con): The hon. Lady is making interesting and key points about mortgage prisoners. At the time those loan books were sold, UK Asset Resolution made commitments to the Treasury Committee that those people would still be able to access market and fixed-rate deals, but that has not proven to be the case. It is very difficult for the Committee to get those kinds of assurances without having confidence that those assurances would be valid.

Seema Malhotra: I thank the hon. Member for his contribution and for his work for the all-party parliamentary group on mortgage prisoners. He is right, and those commitments need to be taken forward. It is surprising that there has not been more push on that from the Government.

The Government and the FCA have tried to claim that mortgage prisoners are not overpaying but paying similar SVRs to others in the market. However, that comparison is meaningless, because only 10% of customers of active lenders are paying an SVR, and many can typically switch to a new deal quickly. More than three quarters of consumers with active lenders switch to a new deal within six months of moving on to an SVR, but mortgage prisoners have been stuck on high SVRs for more than 10 years.

The all-party parliamentary group on mortgage prisoners has proposed two options that would provide mortgage prisoners with immediate relief by capping the high SVRs that they pay with inactive lenders and ensuring that they are offered fixed rates by their existing lenders. That would provide immediate relief to all 195,000 mortgage prisoners. Martin Lewis has supported a cap on SVRs for mortgage prisoners at inactive lenders, and organisations such as Surviving Economic Abuse also support that action.

The Government say that that would be an unprecedented intervention in the market, but the truth is that there is no market and there is no competition. It is the Government's fault, because they sold these mortgage prisoners on to vulture funds, who are not treating them fairly. The APPG's proposals are a targeted intervention and would have no impact on the wider market of active lenders such as the main high street banks who compete to offer new deals to their existing customers.

Although I support much in the Bill, there is much to clarify and improve and there are enormous gaps that need to be addressed. These reforms are important and urgent. I will be happy to meet the Minister to discuss mortgage prisoners with the APPG, should he find that helpful. I will listen closely to his response.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): We now have a formal time limit of seven minutes, but that is likely to be reduced later in the day.

4.12 pm

Damian Hinds (East Hampshire) (Con): I welcome this ambitious piece of legislation. It is quite right that for a country and an economy such as ours, in which financial services play such a key role, we should be able to set UK-specific financial services regulation. I very much welcome the reframing of the regulatory objectives around long-term growth and international competitiveness. I want to speak to two specific aspects of the Bill that fall under "other miscellaneous provisions" but are nevertheless incredibly important: credit unions and compensation for the victims of fraud.

I turn first to credit unions, and in particular their role in financial inclusion and providing an alternative to high-cost, sub-prime lenders. Last night, I happened to be flicking through a well-thumbed copy of *Hansard* and looked at a debate from January 2014—hon. Members

will remember it—when we were discussing payday lenders and the problems associated with them. We have come a long way since then. I think it is important sometimes to look back and say, "Where has regulatory change made a big difference?" We have had: the CMA report; the new FCA regime, including on payday affordability checks, roll-overs and restrictions on advertising; the measures on continuous payment authority, which I remember the hon. Member for Walthamstow (Stella Creasy)—no doubt, she would have wanted me to say this—championing so strongly; the cost of credit cap; and, most recently, the new FCA consumer duty.

More broadly, the Government put financial education on the national curriculum and, of course, supported credit unions with a commitment of up to £38 million for their development and further regulatory liberalisation.

Stella Creasy: I acknowledge what the right hon. Gentleman is trying to point out. However, does the evidence not show that it was the intervention of the financial ombudsman service that led to the downfall of companies, such as Wonga and Amigo, that were exploiting our constituents, rather than the intervention of the FCA, which oversaw unaffordable lending on its watch? Does that not show us why we need further FCA reform? It is the opposite of the point that he is making.

Damian Hinds: The hon. Lady makes an important point. It would be wrong—I am sure she did not mean to say it, even though it is what she just said—to say there was a single cause for those things. In fact, it is about changing the entire framework. In other parts of the market, for example home credit, there is a different set of reasons again why there has been a decline. We know the sub-prime segment shapeshifts the whole time, and we have also seen the recent growth of buy now, pay later. At a time of heightened financial stress, it is inevitable that new risks and new vulnerabilities manifest.

Wise heads always remind us that in seeking to curb the parts of the high-cost lending market that we do not like, there is always a danger that we instead push some part of that customer base into the arms of a high-cost lender whose idea of a late payment penalty is a cigarette burn to the forearm, so we must get the balance right. Regulation has been a success, but ultimately what we need is an alternative, because credit does form a part of people's lives, and that is where credit unions and others, such as community development financial institutions, come into play.

We have seen development in the sector, but I would like to see a lot more. We have a great example in Northern Ireland—and indeed in the Republic of Ireland—of what a much more developed credit union sector can look like, and I would like to see that in mainland Britain. The proposals in the Bill will continue that development, amending the Credit Unions Act 1979 to allow for conditional sale and hire purchasing agreements to be undertaken by credit unions, along with the marketing of insurance services. I would only encourage the Government to go further, because our credit union sector is still small in Great Britain compared to Northern Ireland and there is much more that can be done. There is also more that can be done on CDFIs, whose growth, frankly, has been disappointing.

I encourage keeping an open mind on the regulatory aspects of the Bill. I do welcome the measures, but while the 3% per month interest cap is very reasonable, in some parts of financial services it is difficult to break even on that cap. Ironically, the demise of the market leader of the home credit business sector makes it more urgent for us to ensure there is very good provision from credit unions and other responsible lenders in its wake.

The other issue I want to comment on briefly is the provisions on authorised push payment scams and mandatory reimbursement. This gives me the opportunity to join others in the nice things they have been saying about my hon. Friend the Member for Salisbury (John Glen), the former Economic Secretary to the Treasury. I had the opportunity to work with him when I was Security Minister and he was bearing down on the awful growth in fraud. We have not just seen that growth in this country. Fraud and economic crime have been growing in countries throughout the world. There is a change in crime, and we need to respond accordingly. I welcome the change in the Bill, because it brings consistency and fairness and will enhance confidence for people using online financial services. One should never take away all responsibility from the consumer, of course, but that is a welcome move.

Very briefly, there are two things I would like the Government to look at, one for the Treasury specifically and one for the wider Government. First, for the Treasury, it is not clear to me why this provision applies just to the faster payment system. It is true that the vast majority of scams happen through faster payments, but they may not in future. It is right that the regulator should have the ability at least to extend that scope.

Secondly, a bigger point—not for my hon. Friend the Economic Secretary, he will be pleased to know, but for others in Government—is that we should extend the principle beyond the banks. It is difficult to get sympathy for banks and bankers, but right now they are bearing the entirety of the burden even though they are just the last link in the chain of the scam. They have responded very well, partly through regulation on such things as strong customer authentication and so on, but also by going further off their own bat. I think that is partly to do with their moral commitment to their customer base, but it is also about the liability they face through the contingent model. One wonders whether, if social media platforms, telecoms companies and others had had those same incentives, we might already have a lower level of fraud than we have today.

Save for those two encouragements to my hon. Friend the Minister for the Government to look at going further, I strongly welcome the Bill and all he is trying to do.

4.19 pm

Kate Osamor (Edmonton) (Lab/Co-op): Thank you for calling me to speak in this very important debate, Madam Deputy Speaker, and I associate myself with the remarks of my hon. Friends the Members for Hampstead and Kilburn (Tulip Siddiq) and for Feltham and Heston (Seema Malhotra). I welcome the Government introducing measures to protect access to cash, and I will use my speech to express my constituents' concerns about that.

In Edmonton, between 2018 and 2021, a third of our free-to-use ATMs disappeared. I receive correspondence from my constituents telling me how the closure of banks and the lack of free ATMs is putting a strain on them. The importance of using cash on a regular basis is that it remains, for millions of people, simply the best way to budget effectively. Those facing digital exclusion or physical impediments, who are disproportionately elderly, will continue using cash.

I am not alone in saying this. The “Financial Lives 2020” survey found that around 2.4 million people aged 65 and over in the UK relied on cash to a great extent in their day-to-day life, representing around one in five—21%—of all older people. Also, small and medium-sized businesses, such as hairdressers, barbers and nail shops, survive off regular, frequent small cash transactions. I think about the small businesses in Edmonton, such as the nail salon or my hairdresser, Debbie's, who did my hair for me—*[Interruption.]* Thank you. These businesses only take cash from customers. Small and medium-sized businesses simply cannot afford to run a card machine. Common charges include transaction fees of between 1% and 3% a sale, authorisation fees of between 1p and 3p a sale and merchant service fees of between 0.25% and 0.35%. Edmonton is one of the most cash-dependent areas in the country.

I welcome the measures to empower the Financial Conduct Authority to ensure that designated bodies must continue to provide “reasonable access” to cash, as I do the powers to potentially stop the closure of certain cash access points if there is no alternative nearby. However, to truly address this looming issue, we must acknowledge that attachment to cash has been much stronger in more deprived communities. Along with age, that is the greatest factor in its continued use.

Admittedly, rates of withdrawing cash have fallen off a cliff in wealthier constituencies, but during the covid crisis, cash withdrawals fell by only a quarter in less affluent areas. That figure would only increase if the free ATMs that have been removed were all replaced, but not with pay-to-use machines. With a regular fee of £1.75 just to withdraw cash from a pay-to-use machine, it is a luxury that many cannot afford, yet the Bill makes no clear commitment to protect free-to-use over pay-to-use machines. The latter understandably have much lower usage rates. I hope that the newly appointed Chancellor will instruct the Treasury to differentiate between them clearly in its cash access policy.

We are also still waiting for the Government to define the meaning of “access to cash”. Without a clear maximum geographical distance between cash machines, we risk sleepwalking into a situation where cash deserts are commonplace. Also missing from the Bill is a provision to ensure that there is sustainable funding for free-to-use machines, which has seen serious strain recently. Providers must be compensated for providing this vital public service. Currently, we risk reaching a threshold whereby huge numbers of free ATMs become uneconomical and are forced to close. The funding model should also consider the demographics and economic deprivation in any area, which bears a strong relation to the need for cash access.

The Bill could be an important step in determining safeguards on access to cash in the long term, but sadly what we see is a narrow set of proposals with a lot of

[Kate Osamor]

detail still unconfirmed. In the meantime, there should be a pause on removing free-to-use ATMs. Otherwise, more of my constituents will be further excluded.

4.24 pm

John Glen (Salisbury) (Con): May I say what a great pleasure it is to speak in this debate? It will be of little surprise to the House that I support many of the measures in the Bill—20 separate measures, I think, over 335 pages. I would like to make a few comments on the process that led to the Bill, some observations on the policy content and, if I may, a few suggestions about some areas in which the Government might consider going further.

It has been the greatest privilege of my political career to have been Economic Secretary to the Treasury for four and a half years. When I started in the role in January 2018, there was considerable ambiguity about the direction of Government policy. It feels a little heretical to say it, but there was great uncertainty about how financial services would land after the Brexit decision. There was no consensus, and there were significant predictions of the demise of the City of London. Over those four and a half years, I was very pleased—I am not saying that it was all my doing—to see the resilience of the City of London. The global hub of financial services in London has proved itself phenomenally resilient over the past three years.

After a lot of discussion about dynamic alignments and thoughts about how things should be delivered, we had an election and we had clarity. We had a new, clear direction, eventually resulting in this Bill, which takes us back to the gold standard of the FSMA model. I welcome that. I also welcome the fact that the Bill has come about through deep dialogue with the City and the trade bodies that represent the financial services industry. As my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) says, it is a critical industry for our country: it generates 10% of our tax revenues. That is why the framework that we are setting out today is so important.

I pay tribute to Miles Celic at TheCityUK, to David Postings at UK Finance, to Catherine McGuinness and now Chris Hayward at the City of London Corporation, and to Huw Evans and now Hannah Gurga at the Association of British Insurers. They were instrumental in the constructive dialogue with Treasury officials to ensure that the policy that we arrived at met the needs of this complex industry. I thank them for their engagement during my tenure.

At the risk of being accused of Stockholm syndrome, I also pay tribute to officials at the Treasury. Over the summer, a lot has been said about Treasury orthodoxy and about regulators. I put it on record that my experience of working at the Treasury over the past four and a half years was that Treasury officials worked under the direction of politicians, as we would expect, but that they were also extremely eager to find creative solutions at a time when there was no template, no rulebook and no preordained way forward.

I pay tribute to the work of Sam Woods at the Prudential Regulation Authority. The PRA provides a distinct role from the one that we perform in this place, but the professionalism that it shows in dealing with

complex regulatory matters is something that we should be very grateful for in this country. I also want to speak about the Financial Conduct Authority, because the Bill will give the FCA and the PRA a significant degree of responsibility. As we put aside the retained EU law that we spent so much time in Committee sorting out, we now rely on them, under the growth and competitiveness objective, to come forward with new rules. We are not seeking to deviate from norms in other jurisdictions; what we are trying to do is rightsize those rules for the UK.

I want to say that I recognise that the implementation of the future regulatory framework has not come about on a whim, but has taken a great deal of work over a couple of years, along with a great deal of consultation. I also want to say that the EU legacy is not all bad. We in the UK played a significant role in shaping that legislation, and during my interactions with my counterparts when I was a Minister they were very complimentary about the role that we played, but—as my right hon. Friend the Member for Richmond (Yorks) pointed out—that does not mean that we should not now be courageous in taking opportunities.

The wholesale market review presents a phenomenal opportunity to make changes to MiFID. It is one of 30 reviews that we have undertaken in the Treasury over the last year to ensure that we get this right. What we are doing with clearing—the middleman in trading—is also critically important, because the central clearing counterparties in London are instrumental across the globe and will continue to be so. They are efficient, they are world class, and no matter what the EU may wish to do to compete with our clearing environment, we can be certain that the Bill will ensure that those standards remain very high. We have needed to embrace innovation, and the sandbox for which the Bill provides is an important function enabling the FCA to do that.

As we look to the future, we must think about our relationships with other countries that have significant financial services industries. We will need to customise those relationships, and optimise them. I am therefore pleased about the mutual recognition agreement enablement provisions. I welcome the call-in power, although clear principles must be set out in respect of how it is applied; this is not about a random political intervention. I also endorse the moves to deal with packaged retail investment and insurance-based products and get rid of key information documents, and to introduce something that is appropriate in the UK.

I welcome the Bill, and I pay tribute to my successor. I wish him as long a tenure as I have had.

4.31 pm

Ronnie Cowan (Inverclyde) (SNP): I will not consume all my seven minutes. I shall try to give some time back to the House and allow others to speak. In any event, I am feeling absolutely lousy, and standing for more than three minutes may well prove to be a bit of a challenge.

The majority of people are using less cash. The technology which is available, and which we are encouraged to use, has seen cash acceptance and access to cash decline. For many people, including me, using a card or phone to pay for goods and services has become the norm. It is quick, it is convenient, it is practical—but it is not for everyone. As the cost of living has gone up, there is evidence that more people are turning to cash in

order to budget. The Post Office reported record withdrawals in July 2022, and a survey commissioned by LINK has indicated that 10% of people are planning to use cash more to help them to budget.

We are not talking small numbers here: more than 5 million people in the UK are already relying on cash, and—quite disturbingly—55% of respondents to a survey of 500,000 people conducted by Cardtronics felt pushed towards cashlessness against their will. We need a sensible strategy that does not discriminate against cash users, who tend to be the elderly and the most impoverished in our society. The Government must provide clarity about the content of their access to cash policy statement. There is no reference to ensuring free access to cash, which is an absolute must. There are no baseline geographic distances applying to withdrawal and depositing facilities. When communities apply for such services, there is no feedback to explain why an application was unsuccessful. This process should be transparent and clear.

I urge the UK Government to make the consumer's interests their priority, and to produce a Bill that safeguards existing cash users and ensures that firms have complied with their own regulatory obligations. Honestly, how hard can that be?

4.34 pm

Stephen Hammond (Wimbledon) (Con): I was not expecting to be called quite so early in the debate, given the panoply of talent on these Benches and the Benches opposite. In the interest of brevity, I will briefly concentrate on three aspects of the Bill. First, I want to guide the House to my entry in the Register of Members' Financial Interests.

This is one of the most significant Bills that this House is likely to look at in this Session of Parliament because, as the Minister has said, the realignment of the regulatory architecture offers a unique opportunity to become more nimble, more agile, more accountable—I hope—and more pragmatic in our approach to regulation. The most important parts of the Bill take forward the future regulatory framework. Requiring regulation to comply and to promote international competitiveness will address the widely held concerns that regulators have in the past used their powers narrowly and over-cautiously to reduce risk, thereby reducing innovation, increasing costs and decreasing consumer choice, which has overall been detrimental to competition.

Creating what is, let us be clear, a secondary objective of international competitiveness and growth is absolutely right. Having this objective in place will neither undermine the regulators' independence nor cause any prospect of a financial crash. I also do not believe, as some have said, that it is in any way a push for the lowering of standards. The industry knows that proportionate and effective regulation by an accountable regulator is the key to international competitiveness. I was interested to hear the Minister say that he thought we in this House should look again at the accountability structures of regulators. I welcome this objective, and I also welcome the cost-benefit analysis panel, which again plays into the objective of ensuring a nimble, agile regime that protects consumers while taking up the opportunities post-Brexit.

However, with the secondary objective and the cost-benefit analysis panel, there is a concern that regulators must be accountable both to this House and to the Government, but in particular to this House. I welcome

the setting out in practice of some of the key performance indicators for the regulator and I recognise and welcome the Sub-Committee of the Treasury Committee, but I hope we will be able to discuss this in Committee and I urge the Minister to think about whether amendments are needed to include an obligation on the regulators to state how any new regulation will meet and further the objective of international competitiveness. I hope he will also consider an annual report, at least on the delivery of those objectives, which should include some measurement against specified key performance indicators. There should be no suggestion that the regulators are being allowed to mark their own homework.

I am sure that the Minister will clarify this later, but the cost-benefit analysis panel needs either to have external members—that must be explicit—or to make it clear that it is taking external advice. It ought also to be clear exactly what criteria are being used to measure cost-benefit analysis. Those measures would help considerably in terms of accountability. I do not believe that scrutiny and accountability affect the independence of either the PRA or the FCA. As my hon. Friend the Member for Salisbury (John Glen)—who I have had the pleasure of questioning in this House a number of times—knows, I want to see this industry thrive. It is key to the whole of the United Kingdom, because two thirds of the jobs in the industry are outside London. I think he too would accept that scrutiny and accountability do not threaten the regulators' independence. They are important if we are to have a regime that continues to be internationally renowned.

I have been fortunate enough to be a member of the Treasury Committee in the past, and I hear entirely what my right hon. Friend the Member for Central Devon (Mel Stride) has said. However, I would suggest to him that as a result of the pressures on the membership of the Treasury Committee and the Sub-Committee—I accept that they have the same powers—caused by the extra work, we should open a debate on whether the House needs to think again about whether just having a Sub-Committee of the Treasury Committee is adequate, given the importance of this industry to jobs and growth across the country. I will ask the Minister, perhaps in discussions, to consider yet again a Joint Committee of both Houses on financial services, which is what happens in other jurisdictions.

I welcome so many measures in the Bill, but let me touch briefly on just one. Others will talk about the revocation of retained EU law and a number of other aspects about which Members have already spoken, but I urge the Minister to press ahead with mutual recognition agreements. They are another key way to ensure that the United Kingdom's financial services remain at the forefront of global financial trade. It is extremely welcome that we are pressing ahead with Switzerland, but I urge the Minister to continue to press ahead with the powers that the Bill allows to be implemented and the regulators to give effect to. With those words, I warmly welcome the Bill, and I look forward to supporting it.

4.40 pm

John McDonnell (Hayes and Harlington) (Lab): I hope there will be plenty of time to discuss the detail of the Bill both in Committee and on Report, so I wish to make some general comments on my worries about where it is situated. When J. K. Galbraith wrote about

[John McDonnell]

the 1929 crash, his advice for the future was that people could set up all the institutions they needed to try to prevent it from ever happening again, but the greatest protection would come from memory. I therefore want to go back in time to some of the lessons that we perhaps should have learned but did not.

I wrote about the big bang in the 1980s and I can remember the concerns we expressed about a wave of enthusiasm for deregulation similar to what we see today. That enthusiasm resulted, in effect, in a casino economy. The City of London and the finance sector are the most successful lobbyists in the history of politics in this country and they are incredibly powerful. Sometimes, that results in corporate capture, not just of Governments but even of Oppositions at times. That period of enthusiasm for deregulation resulted in a casino economy that eventually resulted in a series of crashes—we endured not just 2007-08 but other crises.

I was in this House in 2007-08 and was the first Member to raise the issue of Northern Rock. I remember that in the debate after Northern Rock, the Treasury itself spoke about the “excessive concern for competitiveness” that brought about elements of that crash. I worry that we are re-inserting into legislation an emphasis on competitiveness that could override so many other issues of concern.

Here we go again. We are introducing legislation and placing in it a reliance on the structures that we established after the 2007-08 crash, particularly the FCA. I believe the FCA has been a catastrophic failure. My constituents have gone through London Capital & Finance, Woodford and Blackmore Bond. We saw the FCA's failure to address HBOS and RBS properly, and we are supposedly still waiting for the independent review of Lloyds that was established in 2017, yet the FCA has moved not one inch to take further enforcement actions. As I have made clear on the Floor of the House, I was concerned that the FCA chief executive at the time was accused—rightfully, I believe—of being asleep at the wheel. Before we even had the report on London Capital & Finance and so on, we appointed him as Governor of the Bank of England.

Bim Afolami (Hitchin and Harpenden) (Con): The right hon. Gentleman is making an important and interesting speech. On that point about the FCA, will he explain to the House whether he supports changing the regulatory structure and having one super-regulator, or something of a similar description?

John McDonnell: The hon. Gentleman knows where my mind is going. We instituted a regulatory review a couple of years ago, and Prem Sikka, a professor of accountancy, and a team of corporate specialists and finance specialists introduced an excellent report. He is now in the Lords and I warn Members that he will shred this legislation when it goes up there. He outlined that 40 bodies are regulating our finance sector in some way and that there is a need for consolidation and to learn the lessons of the experiences of some of these bodies so far. That job is still to be done. I was hoping that the bringing forward of this legislation would coincide with the Government's clear recommendations on where we go on that structure and, in particular, the role of the FCA.

I am also concerned about the fact that, although we are having the debate about this legislation, we are not debating potential future threats. I am anxious that in this legislation we are not addressing shadow banking, where we have already seen elements of individual firm collapses, particularly in respect of equity firms, that could create a domino effect and then produce a significant collapse.

I am also anxious about the move away from MiFID II. That issue has been raised and was derided by some in the House. We have recently seen the evidence with regard to speculation on both energy and food prices. Of course the cost of living crisis has been caused by a combination of the breakdown of supply chains, covid and the war in Ukraine, but there is significant evidence now that these increases in energy costs and food costs have been exacerbated by speculation in the markets. This is speculation where the paper markets are distinct from the reality of commodity supply. It is not just me expressing that; it has been expressed elsewhere, particularly in the States, but also by a number of global institutions. I regret that we have not addressed that issue in this legislation. We need to hold to the MiFID II, particularly the constraints on asset holding with regard to food commodities, as I am anxious about price speculation forcing prices up.

I was critical of Gordon Brown on some of his response to the banking crash in 2007-08, but one thing he did successfully was bring the world together, and there were international meetings where we looked at a global response to these problems. I believe that we now need to look at a global response to the food and energy speculation that is taking place, which is exacerbating the cost of living crisis that our constituents are facing. In that way, the Government's approach is lacking. We will have the discussion tomorrow about their response to the energy prices increase and the cost of living crisis. I am hoping that from that, and as we move forward, we will recognise that there is an international role to be played by this Government in bringing people together, in the same way as Gordon Brown did.

I am particularly concerned about the issue of food. The UN special rapporteur Olivier De Schutter has said that what is happening now is that people are betting on people's hunger. That cannot be right. Anything that we do that undermines in any way our own national legislation, which is against speculation in essential products such as that, is dangerous, but if we fail to ensure that we take up our international responsibilities, we will regret that for the future, as our people increasingly confront the problems of hunger and starvation.

4.48 pm

Martin Vickers (Cleethorpes) (Con): I fully support the recommendations in the Bill and it is noticeable that it contains a wide-ranging set of proposals. I am not going to dwell on the more serious issues, as they have all been covered admirably by my hon. Friend the Member for Salisbury (John Glen), by the Chair of the Select Committee, my right hon. Friend the Member for Central Devon (Mel Stride) and, of course, by the former Chancellor, my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak). I am returning to the issue of access to cash, which has been raised by a couple of speakers.

It is not only cash, but the wider range of banking services that is crucial to our local communities. Proposals that have come forward in recent weeks affecting my own constituency involved the closure of what is, in effect, the last bank in the towns of Barton-upon-Humber and Immingham. I am delighted to say that in one case LINK, with which I have been working closely over those recent weeks, has designated Barton as one of its next banking hubs. That announcement came only yesterday, so it has slightly taken the sting out of what I was going to say, but of course, Immingham is still urgently in need of a financial hub. Proposals are being put together, and the local community and I will certainly take those proposals forward to LINK.

It is worth remembering that although when we listen to our constituents we hear tales of how reliant they are on their local bank and the services it provides and so on, we are all to some extent guilty when it comes to the change in the use of branches. I suspect that not one Member present in the Chamber can claim not to have used a credit card or bank card to make a payment when cash would perhaps have been a better option—we have all probably done so today. We have to recognise that; it is very easy to paint the banks as the bad guys, but they obviously have to amend the services they provide. However, it is interesting to note that more than 5 million people in the UK rely on cash on a daily basis, and it is estimated that 4 million adults do not have access to a smartphone and 1.5 million households do not have internet access. As such, while it is important that businesses make decisions in line with the general trends of customer behaviour, it is also important that we do not leave behind those who are in the more vulnerable groups.

As I said, I am delighted that the Cash Action Group and LINK have come together and announced that Barton-upon-Humber will receive a financial hub. That is great news, but we must also remember that it is not just access to cash that is important, so I urge the Minister and his team to think about the wider range of banking services. Until now, people of my generation, certainly, have been more used to face-to-face meetings with banks. Doing online transactions is fine, but when doing online applications for what can be life-changing decisions—a mortgage, for example—giving us guidance and making us think more seriously about the commitments we are making is an important part of the service that our financial institutions provide.

I welcome all that the Government are doing. As it stands, there is no existing legislative framework guaranteeing a minimum level of access to cash and wider banking services, or a single authority with overall responsibility for overseeing a cash system that works for everyone across the country. It is welcome that the Government seek to address that situation through the Bill, which will also empower the regulator to ensure that local communities continue to benefit from a cash withdrawal or deposit facility. I also repeat the point that my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) made: access to cash should be free. One of the things that annoys me and, I am sure, many others is that we are paying to get our own money. I urge the Minister to insert the word “free” into the legislation, something that I am sure would have cross-party support.

Bearing in mind the constraints on time, I thank LINK’s staff for the work they have done in respect of Barton-upon-Humber, and appeal to them to take an equally sympathetic view when making their decision about a banking hub in Immingham. I also urge the Minister to think about inserting that additional word “free” into the legislation.

4.54 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I do not want to disappoint my colleagues on the Government Benches, but I think that they know the issue on which I wish to focus in the time that is available to me. Before I start, I want to put on record, as a Co-operative and Labour MP, my support for the comments of my Labour colleagues on the importance of access to credit unions and of access to cash, which reflects the issue that I want to raise, particularly with regard to high-cost credit regulation.

I also wish to put on record some scepticism about the idea that there are wonderful opportunities as a result of Brexit. To my mind, there are simply problems that we will need to address, and I note that the former Minister, the hon. Member for Salisbury (John Glen), talked about the unlikelihood of a derogation from the existing regulations. Some may wonder whether this is the best use of parliamentary time, but I am willing to look at the legislation.

There is a genuine philosophical disagreement here about the concept of consumer protection. It is the lesson of high-cost credit regulation in this country that I do not think this legislation learns and it is our constituents who will pay the price.

Let me start by highlighting the points of agreement. I agree with the right hon. Member for East Hampshire (Damian Hinds) when he talks about this as an industry that is shape shifting—that it evolves to meet the times that it faces. Let me also put on record my appreciation of the work of the former Minister, the hon. Member for Salisbury. He and I have had many discussions about this industry and how best to address the threat that it poses to our constituents. Although we may not have agreed all the time, I have certainly respected the fact that he has been listening and looking at the evidence.

I am here today as a Cassandra, a broken record, to warn again of these industries and the latest antics of the companies, particularly the buy now, pay later lenders. Two years ago, we started to say that those lenders must be regulated, and I would argue that that was probably 18 months too late from recognising the threat that they pose.

The lessons of payday lending, guarantor lending and hire purchase agreements show that we simply cannot wait until the harm is evident among our constituents, especially when the abuse that is coming is self-evident already. Now that we are in a cost of living crisis, such caution is frankly unforgivable, because it is our constituents who are paying the price. I hope that we can return to this matter in Committee. I am sure that the Minister now dealing with this Bill will recognise that, especially as the £1.8 billion that this country owes in personal debt—a rise of £62 billion—has not come from nowhere. Credit card borrowing in this country has jumped at its fastest rate in the past 17 years as people deal with the cost of living crisis.

[Stella Creasy]

When a third of households with children are cutting back on food to be able to pay their bills, it does not take a rocket scientist to work out that too much month at the end of somebody's money and mouths to feed mean that credit must be found, and our constituents are turning to the high-cost lenders in their droves. I would be surprised if Members do not know what buy now, pay later is, because it is on every single website in this country now as a result of the delay in action. It has massively exploded as a result of the pandemic and now the cost of living crisis. Those companies are offering the opportunity to spread the payments, but they do not do so out of the goodness of their hearts; they do so because consumers spend 30% to 40% more. Add that toxicity to the way in which people are borrowing now to make ends meet: we are seeing buy now, pay later companies offering to put people's energy bills onto these processes. We are seeing them offering the loans not for fast fashion, which is where people originally thought this kind of regulation was needed, but for basic goods and essentials. Millions of people in this country are now using this form of credit and getting into a hole that they cannot get out of. Those are not my words; it is what the evidence is now showing us. The previous Minister well knows that the evidence of harm is there. Indeed, that is what the FCA told us more than two years ago.

The average buy now, pay later user is paying off £293 of buy now, pay later debt, but that is at current prices. With inflation rocketing in the way that it is, the only ones that will win from that are those that offer the ability to apparently spread the payments, but that simply gets people into further and further debt. Most of these companies will not be clear with their lenders about the consequences. Indeed, many people do not even realise that it is a form of credit; they just think that they are spreading the payments on the websites.

Shoppers were charged £39 million in late repayment fees on buy now, pay later loans last year. I dread to think what the figure is now. There is agreement across this House that we need to regulate these companies, but what there is not is the political will to make sure that it happens before the pressure points come. We have already been through one Christmas where one pound in every four spent was on buy now, pay later. There are millions of people still paying off those debts. On the regulatory timetable that the Government are talking about, we will not see action before some time late next year. Minister, some time late next year is far too late for our constituents.

John Glen: I cannot resist. I think there is great consensus in the House on this matter. It is not a question of a lack of political will; I can assure the hon. Lady that it is about the complexity of delivering that legislation. In fact, the intent's having been stated will have a meaningful effect on market practices and will change, and is changing, behaviours in the marketplace.

Stella Creasy: I thank the former Minister for his intervention, but my question is what that means for consumers. The lack of regulation means that my constituents cannot go to the ombudsman to seek redress if they think they have been mis-sold this form of credit. As people are drowning in buy now, pay later

lending, they cannot seek assistance except from the companies themselves. We now see mainstream banks moving into buy now, pay later—the very bank that looks at someone's account to decide how much they can spread payments and how much more they can afford to borrow, because this is a form of borrowing.

The hon. Gentleman may argue that the market is moving, but constituents need help now, because it is now that they are getting into debts that they cannot get out of. The challenge for us all is that the pace of change is horrifically slow, and that is where the damage to our constituents will come. If we all agree that regulation matters, let us get on with it. Furthermore, let us ensure that some of those basic changes, such as the ability for the ombudsman to intervene, happen.

This legislation shows that that matters, because it was the intervention of the ombudsman that made a difference with payday lending. The evidence is clear; the Financial Conduct Authority was overseeing Wonga while it continued to make loans that were unaffordable to its customers. It was only when the ombudsman intervened that Wonga was finally held to account for its behaviour, and as a result it went bust—and Wonga is not a one-off. Our constituents need proper consumer credit protection.

The Minister will know that it is my belief that there should be a proper credit capping process for all forms of credit, so that we do not have to play whack-a-mole. The right hon. Member for East Hampshire reflected that when he talked about shape-shifting: as one of these companies is regulated, another one comes up. In the intervening period, however, it would be perfectly possible to bring in the ombudsman. If we set out a separate regulatory regime for those companies, we are setting a precedent for other forms of credit to come and ask for separate and, frankly, special treatment.

What our constituents need is clarity about who to go to when they get into trouble. We all tell our constituents to go to a debt adviser, but if they have rights, those rights need to be transparent. At the moment, if people are borrowing on buy now, pay later, they have no rights, because it is not regulated. They only have the indulgence of those companies, and asking turkeys to tell us whether Christmas is a good idea rarely ends in a present for anybody.

It is right that we act as quickly as possible. I do not agree with the hon. Member for Salisbury when he says that the political will is there, because frankly this could have been done a while ago. The timetable that the Government have set out, which does not seek any form of actual intervention until some time in late 2023—and even then, it is about consulting on further measures—simply will not wash. Every Member of this House will have constituents coming to them for whom buy now, pay later debt will be part of their debt make-up, who may have put their mortgage on it, because there are companies offering the opportunity of spreading payments. Little wonder, when after all the Government are telling us they are going to spread our energy bills; the Government proposals to date are a form of buy now, pay later.

I wish I was wrong. I wish I had been wrong about payday lending, but we waited too long, and there are still millions of people in this country who are owed money through the compensation scheme from those payday lenders because we waited too long to intervene. We must not make the same mistake again.

I put the Minister on notice, and I ask for support from across the House, because I do not think this is a party political issue; it is about the pace of change. I will be proposing an amendment to this legislation that will give the Government the same time period of 28 days that the buy now, pay later give our constituents to bring in that secondary legislation and give our constituents the protection of the ombudsman. It is a necessary and vital measure in a cost of living crisis to ensure that when people who cannot choose between eating or heating—because they cannot afford to do either—turn to buy now, pay later, they are not creating further problems for themselves down the road.

I know that hon. Members across the House agree that this kind of lending is a problem, but it is time for clarity, it is time for simplicity and it is time for that legislation. I hope that I will find supporters on the Government Benches, and I know that we will find supporters in the other place. Above all, I know that our constituents deserve better.

5.4 pm

Dame Andrea Leadsom (South Northamptonshire) (Con): I would like to begin by paying huge tribute to my hon. Friend the Member for Salisbury (John Glen), who in four and a half years as Economic Secretary to the Treasury achieved an enormous amount, and the Bill is testament to his huge commitment. It was a pleasure to deal with him on many issues in that period. Having done his job briefly for one year, I can absolutely understand what a huge commitment it was for him. I am torn, however, because I absolutely love the new Minister, with whom I have worked as a Back Bencher on many issues in finance. It is great to be in the Chamber and to be able to contribute to the debate.

Enough of the nice stuff. I think the Bill is essential and deals with a big area. People talked so much nonsense in the Brexit debate—“Oh, the City of London is going to collapse!” I remember going to a Dubai international conference where Xavier Bettel, the Prime Minister of Luxembourg, said, “Well, if the UK leaves the EU, the City of London will move to Luxembourg.” I remember thinking in my jet-lagged brain, “Surely, you could not fit just over a million people in Luxembourg. The queue for the coffee shop would go down the street.” There was so much nonsense, and the Bill is absolutely brilliant and long overdue. It is time that we took control of the City of London and its competitiveness. It is high time that it had a competitiveness objective and that we took advantage of this perfect opportunity to be the leader in the world in setting out financial regulation and in exporting to countries across Asia, where people cannot get mortgages or insurance and all those sorts of policies that we take for granted, which we can buy and regulate in the west. Leading regulation in finance around the world is absolutely critical.

Another huge opportunity for the UK is being the world’s leading green finance centre. My first question for the Minister is what are we doing about that? Is it in the Bill? In my view, it will happen. I think that the green industry is going to be an even bigger employer and an even bigger jewel in the crown than the financial services sector in future, but we should seize the opportunity to make that happen as soon as we can. Mutual recognition agreements are absolutely vital. Having left the EU, we have the freedom to make them, but will the Minister

explain how those MRAs will be scrutinised by the House. That is a technical question—I am sure that there is already an answer to that.

Moving on from competition, which is at the heart of this measure and absolutely vital, to payments, I recall from my days on the Treasury Committee from 2010 to 2014, and then as City Minister, how dire our payment systems are, mainly because they have been around for a long time, held together with string, Sellotape and sealing wax. Someone said, slightly bravely, that we should feel sorry for the banks—never feel sorry for the banks—but nevertheless, it is their own doing that the ancient payment systems are very clunky. A lot of fraud today is the result of payment systems not being fit for purpose. Again, will the Minister explain whether there is a requirement in the Bill to improve payment systems and make them more robust? Will banks, particularly clearing banks, invest in those systems? How will new digital currency regulation interact with fiat money regulation and what protections will there be for people who, unfortunately, become victims in the digital money space? How will we protect them from fraudsters who claim that they are regulated by the Bank of England or the FCA? What are we doing about that? Have measures been written into the Bill?

On access to cash, back in the day, after the financial crisis, the big banks wanted to ditch cheques, for example, because they could not see the point of them. They were expensive to administer, but as MPs we know that many of our constituents rely on cheques to this day. Only recently, my daughter was sent a cheque and tried to cash it. People literally cannot do that unless they go to a bank. Otherwise they have to fill it in, take a photo of it and send it to the bank in an envelope with a stamp. That is absolutely ridiculous, as there are many people who depend on cheques.

What are we doing in the Bill to continue to protect access to cheques and, as others have said, access to free cash through ATMs? Those are disappearing at a rate of knots. As the last bank in town has started to close, post offices have picked up a lot of the slack, but that system is waning. A lot of the services that small businesses need are not available through post offices, and of course it is difficult for someone who is not digitally savvy to open a new bank account other than by going to a branch, which can be difficult for older people.

My final point is about credit unions. I am a big fan—always have been. What I love about them is that they teach people to save before they borrow. Like many co-operatives, credit unions have been great at reaching out to schools and teaching young people about the importance of saving and the fact that money does not grow on trees, so they get into the habit of saving their pocket money before they go out and start borrowing money for anything. As has been mentioned, a lot of Government money went into helping the Association of British Credit Unions to create a new, proper platform for credit unions. How is it doing? How is the co-operative movement doing? Is there anything in the Bill that will support not just those co-operatives but, vitally, financial education in schools?

Let me finish by saying that it seems to me that, although financial education is on the national curriculum, it would be so much more valuable to so many young people to know how to open a bank account, what a

[*Dame Andrea Leadsom*]

rental agreement is about, or how to fill out a mortgage form, a tax return or a credit agreement than to learn more geometry and the square root of nine.

5.11 pm

Nick Smith (Blaenau Gwent) (Lab): I am glad to see the introduction of the Bill. Its provisions for securing access to cash, which I think should be free, will be welcomed in Blaenau Gwent. I strongly endorse the focus in chapter 3 on improving the accountability of financial regulators. *Which?* magazine has described this as a “once in a generation opportunity to strengthen the UK’s financial services regulatory regime”—quite the mouthful—but much more still needs to be done.

Unfortunately, I have lost confidence in the main regulator, the Financial Conduct Authority. Its oversight of the British Steel pension scheme scandal was plain hopeless. I saw the stress and grief of steelworker pensioner constituents who had been ripped off, and I have seen in my own experience as a member of the Public Accounts Committee just how useless the FCA can be. Despite being duty-bound to ensure that consumers were given quality financial advice, the FCA displayed poor oversight of the adviser marketplace. It consistently failed to act, even though it was aware of the risks to pensioners transferring out of a defined-benefit scheme. It failed to regulate a marketplace rigged against the steelworkers.

A recent Public Accounts Committee report found that the FCA failed to protect BSPS members from unscrupulous financial advisers who were financially incentivised to provide unsuitable advice, and that the regulator was “behind the curve” in its response. As a result, after much prodding, the FCA itself found that a staggering 47% of transfer recommendations were unsuitable. This has meant that many BSPS members have suffered years of nagging worry and losses to their pension pots, and had their plans for retirement ruined.

The National Audit Office discovered that, in the claims made to the Financial Services Compensation Scheme, the average individual loss stands at an eye-watering £82,600. Due to the FCA’s failures, the final bill for the coming redress scheme will likely be in the hundreds of millions of pounds. Despite having the powers to respond to the thieving and poor adviser behaviour, the FCA has issued just one fine in relation to the BSPS case.

Although I welcome the FCA’s efforts to improve its consumer-facing work in recent months, I am not convinced that the proposed framework will ensure that consumers are properly protected. It is good that the Treasury will have increasing powers to direct the FCA to make, review and enforce new rules as and when the need arises—the Treasury needs to jump in where necessary—but we need a fit-for-purpose FCA that robustly defends its consumers at the outset. It needs to hold bad actors to account from the get-go.

Therefore, I believe that consumer protection should be better embedded in chapter 3 of the Bill as a key accountability of the regulator. That is why I hope to see amendments made to mandate a much sharper focus on consumer protection with statutory panels that centre on the consumer. In Committee, there should also be a review of the FCA’s enforcement powers, which may need boosting.

Confidence in the regulator to have the best rulebook, enforcement and a culture that stands behind the consumer is key. Financial sharks that rip off working people need to be netted. The FCA needs to look across our country as well as at the City of London. Therefore, I ask the Minister to make doubly sure that the Bill has the strongest possible provisions for consumers and that the regulatory culture at the FCA is fit for purpose—something much more like the Securities and Exchange Commission than the limp enforcement regime at the FCA now.

Experience shows that the FCA consumer panel needs the firepower to challenge the culture at the FCA. Will the Minister please look again at that topic? A strong consumer voice must be at the heart of all our financial regulators; it needs to be a fundamental guiding principle.

5.16 pm

Mrs Pauline Latham (Mid Derbyshire) (Con): It is a pleasure to speak after other hon. Members who are interested in access to cash. The many people who need it cannot exist in this cashless society. I intend to speak briefly to clauses 47 and 48, which aim to put on a statutory footing some of the best conclusions of the independent access to cash review in 2019.

The Cash Action Group is already carrying out important work to ensure that those who need or want access to in-person banking services continue to have it. I support clauses 47 and 48 because they will encourage that activity, put it on a statutory footing and regulate it. In Belper in my constituency, the final high street bank branch, Lloyds, will close in November. That is very common and is happening all over the country as high street banks are closing their branches, much to the horror of the elderly population and of many younger people, particularly those on the breadline.

A significant minority of people in many communities, including Belper, still want to or can only use cash and in-person banking. My right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) talked about her daughter getting a cheque. What do people do with cheques these days? Many people need access to a bank. A survey that I ran locally revealed that more than 60% of respondents had used in-person banking services in the last month, and more than 35% never used online or virtual banking.

When high street banks take the commercial decision to close branches, one option is to open shared banking hubs, where the consulting room is occupied by a different bank one day each week. Every day, businesses and individuals can use the pay-in desk, staffed by the post office, to carry out everyday cash withdrawals and payments. In Belper, many small businesses need access to that service, to the point where the post office is overwhelmed by the number of people who use it.

Respondents to my survey overwhelmingly backed such a shared banking hub in Belper, and I was delighted that it was announced yesterday that Belper will indeed host a shared banking hub. I have been told that the data shows that such hubs increase footfall on the high street and improve cash practices for local businesses, having knock-on effects well beyond simply providing cash and banking services to people. This is in a way a social service for some often very lonely people who will come into Belper to have conversations with real people. They do not want to do banking online, and elderly

people in particular, who can be isolated in their homes, need this service so that there is a reason to go into town and actually talk to people. I think this is such an important thing to happen.

In addition, these banking hubs are going to be good for the environment. In my survey, over 50% of those who currently bank with the bank that is closing in Belper said they would have to use a car to get to their new nearest branch and, worryingly, nearly 20% told me that they would have no way at all of getting to another branch. Therefore, the shared banking hub will actively reduce the amount of traffic and emissions Belper residents use while doing their banking. As Belper is a transition town, they are very keen to care for the environment. I am delighted for Belper with the success of this campaign, which I have run alongside local councillors.

I hope that shared banking hubs can be rolled out across the whole country, because I think they are the future. If it is not commercially viable to keep a bank open five days a week, it is much more likely that it can keep going one day a week, and that is where shared banking hubs will really win out. That is why I support clauses 47 and 48, which appoint the FCA as the lead regulator for access to cash and will mean that the Treasury can designate firms to be subject to oversight for the purpose of ensuring the continued provision of cash and banking services access. That should encourage even more banking hubs in communities that do not currently have good access to cash or banking, and I hope that all hon. and right hon. Members will support the Bill when we vote later today.

5.22 pm

Sarah Olney (Richmond Park) (LD): It is a pleasure to take part in this debate. First, I would like to welcome the Minister to his position and wish him a long ministerial career. It is a privilege to take part in this debate with so many well-informed Back Benchers, which I would say has been a real feature this afternoon.

The Liberal Democrats welcome this Bill. Obviously, it is absolutely essential for the ongoing regulation of financial services and markets in this country, and we very much welcome the majority of its provisions. As the hon. Member for Salisbury (John Glen) mentioned, it is a very big Bill. It has 330 pages, and it is clearly the result of a great deal of hard work over many months by many individuals. However, I have to say that it is disappointing, given the flexible nature of the financial services industry and the fast-moving nature of the sector, that this Bill does not go further in anticipating some of the issues we think we will be experiencing. It was interesting to hear from the hon. Members for Walthamstow (Stella Creasy) and for Blaenau Gwent (Nick Smith) about some of the issues they are already experiencing in their constituencies—of course, those issues are not just confined to the ones they represent—that the Bill does not address, and I want to come on to a couple of those.

The main aim of the Bill is to establish a new regulator, and the role of regulators has come under microscope quite a bit over the summer. We have seen, for example, that Ofwat does not have powers to stop sewage being pumped on to our beaches and that Ofgem does not have powers to prevent massively increasing fuel bills

for domestic consumers or businesses. I think it has come as something of a surprise to many of our constituents that the role of regulators currently in this country is perhaps not as extensive as they thought. I know that certainly many of my constituents will be expecting a regulator of financial services to have powers that go beyond what is provided for in this Bill.

I am particularly concerned about the focus on competitiveness, which has already been raised by the hon. Member for Brighton, Pavilion (Caroline Lucas) and others, at the expense of other statutory objectives, and I very much want to endorse what she said about the importance of reflecting net zero objectives. Indeed, this would be an excellent opportunity for the Minister to say a little more about that, perhaps in his concluding remarks. For all his many faults and failings, the previous Prime Minister was a massive champion of the net zero agenda. During the summer we heard some interesting signals from the new Prime Minister about her approach to that issue, and this is a great opportunity for the Minister to place on record that the new Prime Minister, and this new Government, will have the same commitment to those net zero objectives, and perhaps to talk more about why we do not see them enshrined in the Bill.

What concerns my constituents is that consumer protection is not as much of an important issue in the Bill as the strategic objective on competitiveness. We have talked already about fraud and scams, which are causing huge harm throughout our economy. I will not say too much about cryptocurrency, but there is no doubt that the landscape of crypto offers unseen, untold opportunities for future fraud, and we must get our heads around that. Fraud is causing huge harm to individuals and our economy, and current structures for tackling it are not fit for purpose.

I am surprised when I hear from constituents who have been victims of fraud, because it is not just vulnerable people or those who perhaps lack education, or older people who are not used to online banking; this issue affects vast swathes of people, and I am often surprised by how well educated, experienced professionals become victims of fraud. It is clear that we are not yet sufficiently on the side of the consumer in tackling it. Yes, there is always an element of buyer beware, but the scales are being tilted too far in favour of the fraudsters, and we need to be doing much more to give people powers to tackle that. I welcome the measures to tackle push payments, but I would like to see a great deal more about fraud. That is not just an existing and growing threat because, as I said, the prospect of threats in future is enormous. The onus is not just on the individual to protect themselves, because I do not believe they have sufficient powers to do that.

A further area of concern is access to cash. Much has been said about that already, so in the interests of time I will merely endorse what the hon. Members for Cleethorpes (Martin Vickers), for Mid Derbyshire (Mrs Latham) and for Edmonton (Kate Osamor) have already said. I particularly want to emphasise free access to cash. Obviously, rural and remote communities have particular needs, but the hon. Member for Edmonton summed it up well when she said that urban constituencies can also be poorly affected by that issue. I support the proposed community banking hubs, but currently their creation requires buy-in from existing banks, and we need something that can be independent of that.

[Sarah Olney]

In conclusion, the Liberal Democrats very much welcome the Bill, although we would like to see stronger powers to tackle fraud and more on access to cash. A point was made at the beginning of the debate about regulators. A regulator's powers are granted by Parliament, which is why it is so important that Parliament has power to hold a regulator to account. The real weakness of the Bill is that so much is being delegated to secondary legislation that will not have scrutiny or oversight. As I said, we want to be at the forefront of financial services and their development. It is a fast-moving sector, and we in this country have the skills and experience for it to continue to be a key sector. However, it is vital that Parliament has the oversight that it needs regarding the set-up and ongoing activities of the regulator, and the Bill must be strengthened to ensure that.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): Order. Most unusually, after I imposed a time limit of seven minutes, several colleagues have decided that they do not want to speak in the debate after all. I am therefore able, most unusually, to extend the time limit to eight minutes, starting with Paul Maynard.

5.29 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): Thank you very much, Madam Deputy Speaker. What a lucky boy I am to have another minute to spend—gosh! I refer the House to my entry in the Register of Members' Financial Interests as a member of the consumer council for LINK, which not only manages the nation's ATM network but is the overarching body that can get new banking hubs in place. It is important for people to bear that in mind in listening to my comments. I would have paid tribute to my hon. Friend the Member for Salisbury (John Glen) if he were still here. Unfortunately, he is not, but he was always patient as I chased him around Westminster trying to ask about yet further nuance on access to cash.

One thing that we have learned today from listening to hon. Members is that access to cash is the wrong way to talk about the issue. It is about not just cash but access to face-to-face banking. Those who are reliant on cash, whether they are elderly or in financial need, must be able to speak to someone about their financial situation and not just interrogate a computer. We have heard from hon. Members about how reliant so many are on cash as a budgeting tool—increasingly so, given the cost of living crisis—with a jam jar approach to managing bills.

The Bill's provisions on access to cash need to be about more than ATMs and ensuring that we can spend out cash to consumers; people need somewhere to spend it. The underlying problem is the economics of our cash system—the hidden wiring—and no one has mentioned the provisions in the Bill about the wholesale distribution of cash. If it costs too much for a retailer to use cash, why would they keep on accepting it? They need to be able to deposit it in an ATM just as much as a customer needs to be able to withdraw it to spend it in the first place. Far better still would be more local cash recycling, which would avoid the need for nationwide banknote distribution, if only for environmental reasons.

We must be careful not to accept the rather irresponsible narrative that, somehow, we are on the precipice of all ATMs disappearing. Some 94% of cash withdrawals are still from free-to-use ATMs, and LINK subsidises any ATM that was here in 2018 and no longer has an alternative within 1 km. Should that ATM disappear, LINK will fund a replacement. There is a strong backstop to ensure the presence of ATMs in our communities.

As I said, the debate has moved far beyond ATMs, and towards face-to-face banking, largely thanks to the Herculean efforts of Natalie Ceeney, who wrote the original access to cash review back in 2019. She has banged chief executives' heads together across the banking sector to ensure that they move forward on banking hubs, which, as we have heard, are making such a difference in Belper and Barton-upon-Humber as well as more and more places across the country. LINK is doing a fantastic job, looking at already announced and planned bank closures to identify where access to cash and face-to-face banking is already being reduced. Where those gaps are appearing, it is working with the overarching company that has been set up to fill those gaps. It assesses each closure and recommends better cash services for places without any branch services left to be delivered by a dedicated operating company.

Some have expressed concerns about the slow roll-out of banking hubs. We have had two pilots that have proved that they are workable measures. However, things such as asbestos removal and finding the right location in a community need to be factored in by a sector that has not previously had to act as a property developer. Some delay is therefore perhaps understandable, and I would rather that we got it right in each community than rushed to buy any old place and hoped for the best.

The creation of an overarching duty for the Financial Conduct Authority is very much the icing on the cake for the work that has gone on so far. It should be seen as a reason to take satisfaction. I think that those criticising the Bill for not going far enough do not fully understand what has already occurred. They need to recognise a win when they see one and then raise it. However, I do seek some clarifications from the Minister. I have sought one already, and he has been uncharacteristically reticent at the Dispatch Box in telling me what I want to hear, and he is normally very good at telling me exactly what I want to hear. Now, he knows where I lurk most mornings, and I will be there tomorrow if he wishes to approach me over my coffee and whisper sweet nothings into my ear about having heard my plea.

There is no point in offering us access to cash if that access costs £2.75 at cash machines in the poorest part of my constituency. That diminishes access to cash, because people will find it even harder to access cash should that cash machine mean that a free-to-use ATM has disappeared. All of this is meaningless unless the word "free" is introduced into the debate.

Secondly, the Government are putting out their access to cash statement. Can the Minister reassure me that it will not just be some crude measure of geographical accessibility—two miles here, one kilometre there or whatever? That would not reflect the need in the likes of Mitcham and Morden, which is a very urban constituency rather like mine. My right hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) spoke earlier. He has a vast rural area where one kilometre, frankly, will not mean much on the hills and the moorlands.

Alison Thewliss: The hon. Gentleman is making an excellent point on the proximity of cash machines and arbitrary limits. The city centre of Glasgow is right at the heart of my constituency. Putting a couple of kilometres around that would basically knock out every other cash machine that was not on Buchanan Street, so I agree with his point. Does he agree with me that the Government have to think more carefully about such limits?

Paul Maynard: I very much welcome that. The challenge for the Government is that the access to cash statement must reflect what good access looks like—not just to a cashpoint, but to wider in-person banking services. It cannot just be “Can I get a bank note out of a machine?” It has become increasingly common in my own local area for cash machines not to have been filled up. There is not much point in having a cash machine without any bank notes in it, as if it were a rather decorative antique object.

One important feature that does not require legislation, but which deserves a great deal of comment—more than the two minutes I now have—is the right for communities to review any decision taken on whether they should have a banking hub. Not only is LINK assessing any closure of a bank branch already announced, but the right for a community to request a review of cash access. I am sure every single Member worth their salt in this place will be sitting down looking at the map of their constituency and saying, “I need a review there, there, there and there.” I am sure LINK will not thank me for doubling or quadrupling its workload in that regard, but it is a fantastic opportunity and a mark of how far this debate has moved. In my view, the legislation should specify a simple, fair and independent process that allows communities to appeal decisions. That could easily be placed in the legislation as an additional duty for the FCA. It will help the communities, the banks and LINK by ensuring a fair, independent and transparent method for communities who are not satisfied to have issues quickly considered under the oversight of the FCA. There is a great deal of suspicion out there about the banks and their approach to their branch networks. I do not want communities to appeal or to ask LINK to have a look and then be very disappointed about why they do not get the banking hub they might think they are entitled to. The process must be clear and transparent for communities to have confidence in it.

In summary, the Government proposals ensure that the FCA has the powers it needs to tackle the issue of access to financial services. After many years—my hon. Friend the Member for Salisbury is back now. He missed me saying well done to him. Don’t duck out for your starring moment! I don’t know. *[Laughter.]* This issue has taken far too many years to solve. It has not his fault either; it has been very complex. Too many communities have lost the banks they already had. Too many have been reduced to a single bank or to no bank at all. We now have a robust process in place to identify the locations, to find an alternative, to find a solution, without people having to drive miles away. For that reason alone, the Bill is to be welcomed. But it can be improved with one single four-letter word: free. Please, Minister, free me from my anticipation and make cash free to access.

5.38 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I want to start with a general point about the Bill, which puts an awful lot of faith in our regulators to be able to carry out the functions written in it. I have been approached by members of staff working for the FCA—in fact, staff representatives at the FCA—who have talked to me about the current climate there. There are issues around recruitment and, specifically, around the retention of skilled individuals, and how relations are breaking down to a rather concerning degree. If we want the FCA to do everything that the Government are saying they want it to, especially post-Brexit when we are moving regulation across, then we need a competent and effective FCA. I hope the Minister will take that point away. I am happy to have further conversations with him on the matter, so we can resolve the issue.

It seems particularly concerning that the FCA does not recognise any trade union. When comparable bodies such as the Bank of England recognise trade unions and the FCA does not, that seems to be indicative of the problematic workings of the FCA. I do not want to comment further on that, but I hope that the Minister takes that away as a serious point, because we cannot have effective regulation if we have ineffective working practice.

I was going to intervene on the Minister but I was pipped to it, because he sat down before I could. However, I wanted to mention clause 64, which is about providing insurance after terrorism incidents, so if insurance becomes too expensive, someone can continue to have insurance and the Government will step in. I thought that that was interesting because I have repeatedly raised in the House flood insurance, Flood Re, what happens if buildings are continually flooded and how we make sure that we have affordable flood insurance. It is very good that the Government want to introduce that provision for acts of terrorism, but I hope that the Minister will look more deeply into flooding and businesses’ concerns about that.

Let me turn to my main gripe with the Bill, and I am sure that the hon. Member for Salisbury (John Glen) will know exactly what I am going to say. As I mentioned to him in passing the other day, he is welcome to support any of my amendments, because he has heard all this before. I was disappointed that there was no provision on having regard to financial inclusion. It is great that there is a provision on having regard to the Climate Change Act 2008—the Labour party legislation—but there is nothing on financial inclusion. I will table amendments to give the FCA a cross-cutting “must have regard to financial inclusion” provision, and I genuinely call on Treasury Committee members to support them, as this was a recommendation from one of our reports. The proposals would include a statutory duty to report to Parliament annually on: the state of financial inclusion in the UK; the measures that the FCA has taken, and is planning to take, to advance financial inclusion; and recommended additional measures that could be taken by the Government and other public bodies to promote financial inclusion.

This is a bit of a no-brainer. We have a cost of living crisis, with people suffering from severe levels of debt and hardship. We have a Government who are potentially—though we are not quite sure—bringing forward massive amounts of borrowing to be heaped

[Emma Hardy]

on taxpayers for years to come, and what I am proposing is free. When do we ever get to do that? I am proposing a small solution to the cost of living crisis that is absolutely free; it would address the poverty premium and ensure that the FCA “has regard” to financial inclusion.

I assume that the Minister will refer to the FCA consumer duty as an example of action that the Government are taking. However, that is not enforceable until July 2023—unless the new Prime Minister decides not to move it at all—and it does not address the fundamental problem of what happens to the clients that the market do not want. I am talking about those who are locked out and excluded from financial services. The previous FCA principles were about treating customers fairly, but that still does not address what happens if the market does not want someone.

What is the poverty premium, and what does that mean? In real life, that means people paying more for credit due to their credit rating, paying more for insurance because of where they live or past health issues and paying more for services, because they cannot benefit from direct debits or—as we have heard mentioned a few times—they need to use cash. I find it ludicrous that we have a situation where it costs more to pay in cash than it does in direct debit. We know exactly the kind of people that harms. Of course, the poverty premium is not limited to areas under the FCA’s remit. We have had previous debates about gas and electric and pre-payment meters, which I will not go into now, but the costs are very real.

Let me give an example from my Kingston upon Hull West and Hessle constituency, where nearly a fifth of constituents are affected. The poverty premium means that it costs them nearly £6 million more a year to access the same services and goods. If any Members who are listening are interested—especially those on their phones—they can look at the Fair By Design website, where they can look up their constituency and find out exactly how much the poverty premium is costing each and every one of them. This can be addressed by ensuring that the FCA “has regard to” financial inclusion.

Financial inclusion has been mentioned briefly, and I pay credit to the Government for what they are doing on credit unions. That is a good step forward, but this is always passed between the FCA, the Treasury, other regulators and Departments. Everyone nods very seriously and says how important it is. Someone says, “We must seriously do something about this but it is not actually our Department’s problem. It is someone else’s problem.” And the next person says, “Oh, this is really important. We must do something about it, but is not for our Department. It is their problem”—so the issue goes round and round with nobody actually taking responsibility. That is why having regard to financial inclusion is so important in terms of the FCA having a remit to actually look at this.

I am thinking particularly about insurance. A specific example is car insurance: people cannot drive without it, yet for so many it is simply unaffordable. That leads either to people driving without insurance or to their being unable to take on specific jobs because they simply cannot afford it. We need to do something about that.

My proposals, for which I will call for support across the House, will try to address it. They would end the current damaging situation by giving the regulator a clear remit and saying, “The buck stops here—you have regard to financial inclusion, so you need to look at this.” Sometimes that will mean the FCA taking a main role, and sometimes it will be others, but it will mean that the buck stops somewhere, so somebody has to take the issue seriously and look at the extra costs facing the most financially vulnerable in our society.

I also call on the Minister to introduce measures for groups facing digital exclusion and give them technological support with banking. Specifically, we need measures to ensure that blind and partially sighted people can access their finances and manage them independently.

I am very excited, because I keep asking to be on the Bill Committee and I think I have finally been given the nod. I look forward to discussing the Bill in more detail at every opportunity and through every clause as it goes through Parliament.

5.45 pm

Bim Afolami (Hitchin and Harpenden) (Con): It is a pleasure to speak in support of the Bill. I will not repeat what so many hon. Members have said about the excellent work of the former Economic Secretary—my hon. Friend the Member for Salisbury (John Glen)—and the present Economic Secretary in bringing it to the House, but I want to bring up a couple of specific issues that may not have come up in the debate as much as they might have.

The former Chancellor, my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), mentioned the call-in power. There has been some criticism in the press, which may or may not have come from people within the regulators or from people speaking on their behalf, suggesting that the Government’s call-in power will somehow damage our regulatory system or that it is somehow illegitimate for the elected Government or this House—in extremis, if they feel that something is badly awry—to override the non-elected regulators in a specific area of financial regulation.

I put it on record that those concerns may be well intentioned, but I think they are wrong. It is critical that this House and the elected Government have that power over something as significant as the financial regulation of the sector that is our jewel in the crown. The sector employs millions of people, two thirds of whom are outside London. We all accept, on both sides of the House, that we should champion the sector and work with it. It is almost unconscionable that such a power does not already exist, so we should stand firm if, in the other place or in Committee in this place, Members wish to reject the call-in power. I think it is critical.

Alison Thewliss: The hon. Gentleman speaks with a lot of expertise in the area. Could he give an example of when the power might be used? In what circumstances might the Government want to use it?

Bim Afolami: Lest anybody should think I have any particular specialist knowledge, I stress that this is entirely my own view, but I could imagine a scenario in which the Government, supported by this House, intended certain changes to a regulation such as MiFID II. A strategy document might say that the intention is for a, b and c to occur, but when the regulations were drafted, that intention might not appear to come through. In

that instance, it would be very legitimate for the House or the Government to say, “No, what we intend is the following, and we will change the detailed regulation in order to achieve the aim—the democratic aim, supported by the Government and the House—that we seek to achieve.”

There are a couple of other areas in which I think the Government could have gone further in the Bill, and which I hope we will consider in the coming weeks and months. The first is the bank levy. I know that this is not always a popular thing to say, but in politics it is sometimes important to say unpopular as well as popular things. When we have an internationally competitive sector, if the tax burdens of jurisdictions with which we are competing for people, for capital, for institutions or for new investment reach a point at which they are significantly, or even a little bit, less than ours—and people may find those jurisdictions attractive for other reasons—we should consider finding ways of reducing our own tax burden, which has risen in recent years. The bank levy was one of those, but it came during the aftermath of the financial crisis, which happened quite a long time ago. I think we should consider getting rid of it, in order to emphasise as much as we possibly can that Britain is still the leading centre of financial services for the world.

I am not saying that this is a panacea; far from it. The Bill contains 300-odd pages because we have a great deal to do. However, the bank levy is a tax, and if we impose high taxes on internationally mobile capital or institutions, there may well be a penalty for this country in terms of attracting those institutions. I ask the House, and in particular those on the Treasury Bench, to reflect on that point.

My second point concerns ringfencing, which the former Chancellor mentioned. When I was at HSBC—I probably should have declared at the beginning that I worked at HSBC before I came to the House, and indeed in other institutions in the City—I had the good fortune to work for quite a long time on the internal restructuring of the bank as part of a strategy of which ringfencing was a huge element. HSBC and Barclays were the two big British banks that had big consumer retail bits and big investment banking bits.

Even at that time, it was obvious to many of us that the most critical part of what we were doing in ensuring the safety of those institutions—and indeed, because they were so big, helping to ensure the safety of the whole financial services sector—was the recovery and resolution power, and not just the ringfencing aspect. While I think the review that has been carried out is very capable and very thorough, I urge the Treasury to look a bit further, and to ask whether we still need ringfencing even under the terms of the way in which it has been reviewed. Can we look again at the thresholds? Can we make this less onerous for big institutions?

Why should we do that? I return to what I said about competitiveness. If there are ways in which we can improve our competitiveness without compromising on safety, I think we should consider them.

Ian Paisley (North Antrim) (DUP): Let me take the hon. Gentleman back to his earlier point about competitiveness, and the possibility of certain institutions being turned off from investing or establishing themselves,

or removing themselves from the United Kingdom. Where does he think the single largest threat comes from, if there is a turn-off?

Bim Afolami: I would posit two particular jurisdictions. First, I think of the London stock exchange. The House may not fully appreciate the amount of capital that it has, through capital raising by means of initial public offerings and various other measures. However, we have seen a dramatic fall-off since even five years ago, let alone 10 years ago. Meanwhile, Amsterdam’s stock exchange is doing very well. I think that, although Amsterdam as a jurisdiction will never rival London or, I should say, the UK, because we have huge advantages and huge strengths, we need to consider the threat to the London stock exchange from that source.

Secondly, there is the middle east, where various jurisdictions, including some quite surprising ones—particularly Dubai—are trying hard to make themselves attractive to, in particular, capital from America and Asia, and to make themselves into a hub for some of this work. Again, they cannot rival us, but it is not necessary to match us fully to damage our competitiveness, and I think it important to bear that in mind.

Ian Paisley: Does the hon. Member think that that when it comes to those locations, especially the middle east, there may be an opportunity for, let us just say, funds to arrive at those destinations without being scrutinised to the same extent as they would be here in the United Kingdom? Is that a potential threat to the banking sector?

Bim Afolami: I do not want to cast aspersions on any other jurisdiction. It is clear that we should be proud of our own high standards. I know we will probably get to discussing illicit money from Russia later this year, as we did earlier in this Session. In this country we take action and we pride ourselves on our higher standards—that is not always the case everywhere—but that aspect of competitiveness is not a race to the bottom. This is a really important point. We can be competitive and have high standards. We should not say that the drive for competitiveness means that we drop our standards and end up with corruption, money-laundering and all the rest of it. That is not necessarily true. In this country we are proud of our institutions, proud of our sector and proud of our ecosystem, but that does not mean that nothing needs to improve, and this Bill contains a huge panoply of measures that can help to strengthen our financial services sector.

My last point is about mutual recognition agreements. These are quite dry technical things but ultimately they allow for the easing of doing business between one jurisdiction and another—for example, between the UK and Switzerland, with whom we have built a very good relationship. We should do much more of that, but we should work with the International Trade Department to ensure that our trade deals include much more in terms of services provision and not just mutual recognition agreements that are separate from that. Services trade will benefit this country more than pretty much any other country in the entire world, and we need to work with our International Trade Department, with the Foreign Office and with our international ambassadors to achieve that aim.

Several hon. Members rose—

Mr Deputy Speaker (Mr Nigel Evans): I see that eight Members want to speak, so we will have to reduce the time limit to six minutes to get everybody in.

5.56 pm

Wera Hobhouse (Bath) (LD): My hon. Friend the Member for Richmond Park (Sarah Olney) has already indicated that there is quite a lot to welcome in this Bill, but there also are a number of things that we Liberal Democrats do not agree with and would like to be improved. The Bill does not actively promote the leading green finance sector that we were promised. According to the WWF, we need \$32 trillion by 2030 to tackle the climate emergency. The Bill in front of us could be a unique opportunity to develop the green economy that the future needs by providing routes to roll out net zero technologies and allowing UK businesses to capitalise on green transitions.

As the chair of the Climate Change Committee pointed out only this morning, tackling soaring energy bills—currently the most important thing we are considering—and tackling the climate emergency go hand in hand. Net zero technologies could reduce household bills by £1,800 a year—a reduction that is desperately needed by so many people. This Bill could be a unique opportunity to make that happen, but it falls dramatically short.

In its current form, the Bill prioritises competitiveness over net zero and accountability. Clause 25 adds the need to advance compliance with the UK net zero emissions target to the list of regulatory principles to be applied by the FCA and the PRA. However, the new principle—namely, that regulators must “have regard” to the UK net zero target—is not strong enough. Additionally, they will have limited margin to acknowledge the role of nature in achieving net zero. This approach is reckless. The Bill opens up the possibility, as has been mentioned today, of soaring food prices by throwing out reforms introduced in 2008 to protect consumers from volatile trading practices.

The Government always defend their net zero strategy by placing responsibility on the markets, yet before the 2008 reforms, food prices rocketed after speculative trading on future food prices drove up prices. Regulators are vital to ensuring that consumers are protected and that markets function well but not out of control. A former UN special rapporteur has said that speculators “are indeed betting on hunger, and exacerbating it”.

Our country cannot afford to have another dimension added to the cost of living crisis.

Rather than volatile competitiveness, the Bill must provide clear legal obligations and a commitment to the UK’s net zero target. Net zero must have the same priority for regulators as economic competitiveness. The scale of the climate crisis requires massive shifts in approach that can be achieved only with explicit legal duties, which must include a new objective to decarbonise the financial system. As I have already said, regulations and net zero aims have to work hand in hand. The Government must add climate targets to the primary objectives and thereby give them a status higher than the one the Bill currently proposes.

We Liberal Democrats would go even further and ban new fossil fuel companies from being listed on the London stock exchange. We would also create new powers

for regulators to act if banks and other investors do not properly manage climate risks. That is the sort of ambition that we need, but the Government’s ambition is lacking. We have less and less time to act on the climate emergency. The time is now. I urge Ministers not to miss this unique opportunity.

6 pm

Dr James Davies (Vale of Clwyd) (Con): My comments on this welcome Bill will focus primarily on its ability to improve access to cash and banking services. In my constituency, like many others, bank closures have become increasingly problematic. It is now seven years since the last bank shut in the city of St Asaph in the heart of my constituency, while Denbigh has also seen closures. Last year, TSB, Barclays and HSBC shut in Prestatyn, following the town’s loss of NatWest, Royal Bank of Scotland and building society branches in the preceding five years. Prestatyn High Street was left without a single bank or cash machine, despite being a busy regional shopping centre.

Cash remains important for many residents and businesses in my constituency. Following a campaign, and thanks to Cardtronics and Principality building society, three new free-to-use cash machines have now been installed in Prestatyn town centre. In addition, since June this year new legislation has brought about cashback without purchase services through various local businesses. However, banking services in the town remain lacking.

Last year, Derek French, a former executive of NatWest and the founder of the Campaign for Community Banking Services, identified the 50 communities in Britain where he believed shared banking hubs are most required. Prestatyn is one of the 22 of those communities that have already lost their last bank branch.

Earlier this year, the Royal Society for Arts, Manufactures and Commerce published a report suggesting that 10 million people would struggle in a cashless society. As incomes are squeezed, there is evidence that some people are turning back to cash to help them to budget. The Post Office reported record withdrawals in July 2022, while LINK ATM withdrawals still exceed £7 billion monthly.

Paul Girvan (South Antrim) (DUP): I appreciate that the hon. Member has highlighted a number of banks and areas that are being decimated by banks removing themselves from the high street. A section of our community who are not IT literate have a major problem and are being totally disenfranchised. We need to put in place legislation to ensure that those people are not left without access to the banks that they have used all their lives.

Dr Davies: The hon. Gentleman is absolutely correct. I hope the Bill will go a long way to help that situation. I was coming on to say that 10% of people are planning to use cash more in the coming six months because of cost of living pressures.

The access to cash agenda owes much to Natalie Ceeney and her access to cash review. Following a landmark agreement at the start of this year, the banks and leading consumer groups formed UK Finance’s cash action group. LINK took on the role of assessing the impact of proposed bank branch closures on communities. As of 4 July, the agreement was extended to include communities where bank closures have already taken place. LINK can recommend new cash services,

such as banking hubs and ATMs, according to the cash access needs in each community. New services will then be delivered by a new banking hub company set up by the banks, or, in the case of ATMs, by LINK.

This Bill puts this very welcome voluntary arrangement on a statutory footing. It confers on the Treasury a duty to prepare a cash access policy statement, which I understand is currently being drafted, and powers to “designate” banks and firms such as LINK and the Post Office to take steps in relation to that policy. Furthermore, it gives the FCA powers to take action on those designated firms.

This summer, I put forward Prestatyn for assessment by LINK for a banking hub. I am very grateful to Nick Quin, head of financial inclusion at LINK, for his visit to the town in January and for meeting me with his colleague Chris Ashton this week to discuss in detail my application on behalf of the town. A banking hub would facilitate cheque and cash deposits, and cash withdrawals, and banking staff from each of the big banks would be based in the hub on specific days to help customers with community banking issues. So this legislation is very much welcomed, and I extend my thanks to the Economic Secretary to the Treasury and, in particular, to his predecessor, my hon. Friend the Member for Salisbury (John Glen), who I know has put an awful lot of time into this agenda.

I urge the Government to consider ensuring that assessments of the needs of communities by LINK should be transparently published and that there should be a formal process of appeal. I also ask that consideration of access to banking services through the Welsh language be referenced in the cash access policy statement. Furthermore, it would be helpful to explore the scope of the community banking services that banking hubs could potentially be mandated to provide—for example, opening a new bank account, amending direct debits and standing orders, applying for a loan, arranging third-party access or commencing bereavement procedures.

It is also important to clarify whether the Bill will give the FCA the power to prevent the closure of a bank branch, ATM or cash access point of another kind where there is no suitable alternative in place, so that in future new gaps in provision do not occur. I understand that in recent times LINK has protected 3,000 free ATMs in remote and deprived areas, and funded new ATMs in more than 100 communities. I hope the Government will commit to protecting free cash withdrawals and deposits, and that that can be explored in the policy statement. An indication by the Minister of the likely publication date of the policy statement would be particularly appreciated.

Other elements of this Bill will enable credit unions to offer a greater range of products and services; strengthen the rules around financial promotions; and enable regulatory action by the Payment Systems Regulator to require the reimbursement of victims of authorised push payment scams. All of that is very much to be welcomed, but I urge the Government to ensure that the authorised push payment scam regulations cover all feasible methods of payment, both now and in the future.

I fully support the Bill, especially as it responds to significant concerns over the availability of cash and banking services. It is important that the Bill be delivered as soon as possible so that existing cash infrastructure can be protected.

6.8 pm

Ben Lake (Ceredigion) (PC): It is an honour to be able to contribute on this important Bill this evening and a real pleasure to follow the hon. Member for Vale of Clwyd (Dr Davies), who gave us a masterful and detailed account of the problems and challenges that the loss of bank services and bank branches causes for rural communities in particular. I hope to emulate some of his mastery of the subject in my remarks.

I wish to begin by associating myself with some of the concerns raised by other Members, particularly my friend the hon. Member for Glenrothes (Peter Grant), who talked about the transfer of responsibility and scrutiny power away from Parliament and more towards the regulators and, in certain respects, as regards the repatriation of some of the regulations, to designated legislation committees.

I also associate myself with the concerns that have been voiced about the need to strengthen as an objective for the regulators the need for sustainable growth and to ensure that they are very much aligned with some of the Government’s expectations on net zero. I do not think that we have yet heard an explanation as to why that statutory objective cannot be placed on the regulators. I see it as working hand in hand with sustainable growth and competitiveness; they do not necessarily need to compete with each other.

As I mentioned, I will focus my remarks on access to cash. In particular, part 2 of the Bill—clauses 47 and 48—and the corresponding schedules 8 and 9 have a great deal to commend them. I put on record my support for some of those measures, which I believe will bring a real improvement, safeguarding access to cash for so many of our communities. Of course, we must note that a lot of communities, including in my own constituency of Ceredigion, have already suffered the loss of bank branches and ATMs. It has long been the case that people in those communities have had to travel 10 or 15 miles in order to access a free ATM, but the Bill at least puts in place a set of regulations and a process to ensure that no further gaps arise in future. For that, I do welcome it.

However, returning to a point that has been made by several hon. Members, including the hon. Members for Blackpool North and Cleveleys (Paul Maynard) and for Cleethorpes (Martin Vickers), I ask the Government whether it would be possible to extend the remit of the access-to-cash clauses to include certain services, and in particular in-person services. Other Members have explained just how important continued access to in-person services—branch services—is for many individuals; we have heard about their particular importance to the elderly, and to those who are perhaps not IT literate. I would add that in some rural areas, of course, digital banking remains a distant dream due to a lack of connectivity, so the ability to access personal banking advice is an essential amenity for residents of those areas.

However, something that bears repeating—I admit that it is perhaps not something I have afforded enough attention to in the past—is the impact that the loss of in-person banking services has on small businesses and on charitable and community organisations. Over the past decade or so in Ceredigion, we have seen a number of towns lose their final bank. Nevertheless, they are still market towns; they try to plough for a prosperous

[Ben Lake]

future, but the loss of in-person banking services has had an impact on small businesses and on charitable and community organisations.

To offer a few examples, small businesses in Tregaron, in Lampeter, and increasingly those in Llandysul, will often have to travel to Carmarthen, which may be a round trip of between 45 and 60 miles, depending on where they are located. Of course, the banks open during business hours, which to small businesses entails either closing for a few hours in order to deposit cash or access other banking services, or going without. I know for a fact that many businesses are now having to amend their business practices in unhelpful ways in order to accommodate that new banking reality.

It has also been a real challenge for many charitable and community organisations to open accounts. For example, I have been told that a community pub initiative had to wait almost nine weeks to open a bank account due to the changes in services locally. Charities, in particular, have reported to me that banks just do not understand the specific requirements they have as account holders; they do not understand that changing mandates in person is a particular task for charities. In rural areas, as in many others, many of those charitable groups and organisations make a valuable contribution to communities. At the end of the day, they are staffed by volunteers, and forcing those volunteers to travel 60-odd miles just to change a bank mandate is unfair.

That is why I would be very interested to see whether the Government could extend the new access-to-cash requirements to include those banking services. At the moment, I am afraid, banks are not waking up of their own volition to the importance of maintaining those services in rural areas, and communities are being let down. That is where the Government could step in; that would be a very important intervention, and would be much welcomed on both sides of the House.

Mr Deputy Speaker (Mr Nigel Evans): The last Member with six minutes is Harriett Baldwin, and then we will go to five minutes, so everybody will have exactly the same amount of time.

6.14 pm

Harriett Baldwin (West Worcestershire) (Con): It is an honour to be called to speak in support of the Bill. In a way, it is an advantage to be called at this time because so many excellent points have been made by so many wonderful people, and I am pleased to say that I agree with most of them and that they have been expressed better than I could have done, including by the former Chancellor and the former Economic Secretary to the Treasury, who was responsible, I think, for putting together quite a large part of this Bill.

I recall the milestone of when the country voted to leave the European Union on 23 June 2016, because I was Economic Secretary to the Treasury at the time. Many questions came to the fore about what would happen to the regulation of our financial services, which have been referred to many times in this debate as one of our most important export and tax-paying sectors, providing many hundreds of thousands of jobs up and down the land. It is a very important sector, and over the past six years we have flirted with the idea of equivalence.

It is, I think, the EU Commission that has decided that equivalence does not suit it. Frankly, I think it is the EU's loss, because obviously we are equivalent—or we were equivalent. It is the EU's small businesses and growing firms that will lose easy access to the United Kingdom capital markets, which is a shame for them. I also know that discussions were had about the EU-Canada trade agreement and about the chapter on financial services, which is not in our current trade agreement with the EU. Clearly that has been rejected as a way forward, although there is scope for much more mutual recognition and the opening up of markets.

I welcome the decisions that have been made before the publication of this Bill, and the opportunities for divergence that are being seized in it. It is also welcome that the industry has been very much consulted and brought along with us on how Solvency II and MiFID II changes can help our economy grow.

However, the point on which I wish to focus has not been brought up much in this debate: the freedoms that this Bill gives us to look once again at the market for advice and guidance in this country. We have heard about many of the challenges that consumers face when they are making financial decisions on their own behalf. The cost of financial advice is high, and the guidance itself can be very generic. There is, of course, access to the Money Advice Service and to Pension Wise, which I encourage constituents to use if they can, but the Bill gives us the opportunity to look once again at the financial advice market and to have more customised guidance because of how technology has evolved and the important role that the FCA's regulatory sandbox plays in allowing people to experiment.

I urge everyone who has spoken about consumers in this debate to support an amendment that I am planning to table with the help of the Investing and Saving Alliance. It would allow the provision of much more personalised guidance through the use of innovation and technology, helping consumers through difficult decisions such as moving pensions when they change employer. That would create a better informed consumer who would not necessarily fall so easily for some of the scams that we have been hearing about during today's debate. We need to arm our consumers to be able to tackle those scams.

My final point is about the role of the regulator. Time and again in this debate Members have asked who regulates the regulator if it puts in place something with which we as MPs or our constituents disagree. There is an important role here for the Treasury Committee, on which I sit, and we will take that responsibility of scrutinising changes very seriously.

I also think one of the great strengths of our country is our common law; I know the Minister has been looking at the opportunities that have been outlined for bringing in some further rights of appeal through the common-law system against some decisions that regulators make. I know he has taken these points seriously, and I look forward to his responding to them at the end of the debate.

Mr Deputy Speaker (Mr Nigel Evans): Just to inform everybody, the wind-ups will begin no later than 6.40 pm, and anybody who has spoken in this debate will be expected to be here at the wind-ups. With five minutes, I call Siobhain McDonagh.

6.19 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I am furious to report the imminent loss of yet another bank branch in Mitcham town centre. The year before last it was Nationwide, last year it was Barclays and this time it is Halifax—a bank that pretends to consult its long-standing and loyal customers about its branch closure, but then refuses to attend my public meeting to hear the concerns of those customers in person. Contrary to its slogan, “It’s a people thing”, it seems that Halifax does not care at all what people think, at least if they live in Mitcham and are elderly, disabled or rely on face-to-face banking services.

Every day this week I have stood outside the branch, gathering customers’ views and listening to their concerns. Their opposition is overwhelming; this latest bank closure is yet another nail in the coffin of access to free cash, and I have the evidence to prove it. When Barclays Mitcham closed last year, one of a staggering 650 Barclays branches to disappear since 2015, we surveyed more than 500 residents outside the bank. An extraordinary 50% did not use online banking and were reliant on that branch. Many did not have access to the internet. Some did not trust it. Others, particularly the elderly, only used cash. Then there were those who relied on the help and support of the staff, who they could trust with their money.

I do not believe these views are unique to Mitcham. When high streets lose their banks, the digital divide prevents far too many people from turning online. Age UK highlights that one in five older people still rely on cash for everyday spending. But Barclays did not care. Despite having three years still to run on the lease, it closed the branch and swapped it for a bus—yes, really, a bus—that pulled up randomly outside the empty branch, on the off-chance that a customer was fortunate enough to be passing by and willing to queue in the rain. That sounds safe as houses.

“Do not fear,” they said. “There are other branches just a bus ride—or two—away, or your constituents could just use the post office for their basic banking needs.” That is the same post office whose doorway was too small for my disabled constituent to access with her wheelchair, the same post office that no longer has a free cash machine outside. Fortunately, we still had Halifax—well, until now. Its loss is the latest hammer blow to our high street. Does the Minister agree that Mitcham now makes a perfect location for a new shared banking hub?

We are told that a community can demand access to free ATMs, but that is not the experience on the ground. People in Pollards Hill have tried for years to get a free ATM. Residents literally have to pay for access to their cash—small amounts of money that they get on a daily basis and for which they are charged. The nearest post office had one installed, but now even that has gone, and a ridiculous clause in the new Co-op’s lease prevents a free ATM from opening because there is a paid-for machine further down the terrace. How can that possibly make sense?

I believe that the need for access to cash is growing. The cost of living crisis has seen the return of money jars, with households separating their cash and counting out their pennies to ensure they can make ends meet. Of course I accept that we are in a changing society and

reliance on cash has changed for many, but those on the wrong side of the digital divide are simply being cut off from society, made to feel not part of the same world that we inhabit.

Take Mr Barley, chair of Mitcham’s British Legion branch. Throughout the lockdowns, he relied on his milkman for milk delivery and the rest, but, as hon. Members will have guessed, Milk & More is now going online too and such loyal, long-standing customers no longer get that service. I say to the Minister that the Mr Barleys of this world are treasured in our communities. Halifax Mitcham’s remaining open is not a silver bullet to solving the problems they face with the digital divide and access to cash, but if we are not careful, and everything from milk to money moves online, then they are at risk of simply being left behind.

6.24 pm

David Simmonds (Ruislip, Northwood and Pinner) (Con): I add my congratulations to Ministers past and present involved in introducing the Bill. It is an incredibly important piece of legislation for my constituents. Ruislip, Northwood and Pinner has a high level of employment in the City and in connected financial services, and the subject is close to my heart, as I belong to an even more cherished race of human beings than Tory MPs—I am a former banker.

There have been a number of exceptional contributions to this debate, so I shall try to confine my contribution to items that have not been covered in a lot of detail. First, the Bill is good and important because it will continue to support innovation in the financial sector, of which the UK has a long and proud. If we look at the role played by financial centres in London and Edinburgh in the development of financial products that have brought security and stability to people’s lives, we can see that for centuries the UK has been a leading light in the world. A piece of legislation that enables the sandbox concept, for example, continues to support that innovation and incredibly important to the sector.

Secondly, as we move away from EU structures and governance, we need to ensure that there is appropriate scrutiny of arrangements for regulation and of the implications of the mutual recognition agreements into which we propose to enter. Contrary to what is sometimes said about EU matters being dealt with by unaccountable bureaucrats in Brussels, if anything, our criticism in the UK was that there was often too much scrutiny and democratic involvement. With trade deals, for example, agreements had to be looked at by the European Parliament and the Committee of the Regions. They had to be signed off by the Council of Ministers. There were multiple levels of engagement in that process, and we need to ensure that organisations such as Zurich, which shared a helpful briefing with hon. Members—it certainly informed my thinking about the Bill—can have appropriate input so that we get the calibration right to support innovation, as the Minister is committed to do, and so that we have appropriate consumer protection.

Many Members have referred to the sector as a jewel in the crown of the British economy, which clearly remains the case. It is striking in the context of the Government’s levelling-up agenda that we see, for example, significant inflows of investment in Northern Ireland as a result of opportunities that have been created by the

[David Simmonds]

development of the economy there. That has created an opportunity to look at how we spread the benefits beyond the centres to which my right hon. Friend the Member for Central Devon (Mel Stride) and my hon. Friend the Member for Salisbury (John Glen) referred. That is critical for the reputation of the sector, and it is incredibly important for our economy too.

A key part of that is ensuring that we futureproof the regulation of financial services in the UK. There has been much mention of crypto, but I would like to add the need to ensure that non-regulated activity undertaken by regulated institutions requires scrutiny. Our thanks are due to *Private Eye* magazine, for example, for the detail that it has provided in shining a light on the activities of a number of organisations. The hon. Member for Glenrothes (Peter Grant) referred to things such as funeral plans, but we also need to pay a good deal of attention to the activities of will writing organisations and trust services—for example, the Family Trust Corporation and the Philips Trust Corporation—because significant numbers of consumers may find themselves heavily disadvantaged as a result of advice that they thought came from a trusted financial source, but which was not regulated.

Finally, access to cash has been discussed a good deal. I specifically highlight the need, especially for small businesses, to be able to access banking for the purpose of transacting in coins. In my constituency, I have heard from a lot of small shopkeepers and small business owners that it is not just about consumers being able to get to an ATM—it is about their being able to pay in coin that they receive in payments from customers and being able to extract it for the purpose of having change for cash transactions, which for the most part they cannot do with ATMs.

In conclusion, I am pleased to support the Bill, which as the Minister said will support innovation in this key UK sector. It will ensure that our country remains a global market leader and, importantly, it will ensure that consumers in my constituency and across the UK are protected from scammers who may seek to do them financial harm.

Mr Deputy Speaker (Mr Nigel Evans): Those who have participated in the debate should start to make their way towards the Chamber for the wind-ups, which will start at 6.40 pm.

6.29 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in the debate. The Bill is substantial and weighty, and rightly so. Our financial services sector is vital—perhaps never more so than today, given the cost of living, for people at the mercy of the financial institutions to lend them money to carry their businesses through this period, for families looking for a low-interest loan to fix their cars, and perhaps even for the housewife trying to buy a second-hand washing machine. Those are the ordinary things that people have to face.

The regulation of financial services is essential. We must get it right and rectify the remnants of regulation where Europe was unsuccessful in fostering businesses and protecting individuals. I am keen to support clauses

8 to 23, which will grant additional powers to regulators, allowing for greater regulation of financial promotions. This morning in Westminster Hall we spoke about cryptocurrency and cryptoassets. The Minister answered some of our questions, but that is a really important subject. It is estimated that some 2.6 million people across the UK, and 100,000 people in Northern Ireland, use cryptocurrency. Some 15% of people in Northern Ireland use it, and 38% say they have thought about using it but have not yet done so. The regulation of this up-and-coming form of investment and spending is necessary.

Clauses 24 to 46 seek to ensure appropriate democratic accountability for the regulators, given that the Bill gives the FCA and the PRA new secondary objectives to advance the international competitiveness and medium to long-term growth of the UK economy. I have spoken about this a number of times in the House, but I am not entirely convinced that the new regulations for the FCA are strong enough to make a difference, or that the Bill goes far enough in this respect.

I think regularly of one of my constituents, whose case I know exceptionally well. The episode of *Panorama* broadcast on 16 August, titled “The Billion-Pound Savings Scandal”, detailed a scheme in which some £47 million of life savings was taken from consumers. The initial figure was £16 million, yet although it seems the FCA had ample evidence of wrongdoing and the powers necessary to act, nothing was done. That constituent and a number of others have lost money through that scheme. I am not sure that the Bill goes far enough in that respect.

An essential component of the Bill must be the protection of access to cash. I am old-fashioned, Mr Deputy Speaker; I use cheques all the time, and I use cash. I have the jingle of cash in my inside pocket, and I have the pound notes—sorry, I am going back too far; I have the £20 notes here in my wallet. I heard the right hon. Member for South Northamptonshire (Dame Andrea Leadsom) refer to her daughter getting a cheque. I get them every day, and I write them every day—that is who I am.

Access to cash and its use is essential, particularly for the small business with a small profit margin. The Post Office announced that just last month it handled more than £800 million in personal withdrawals, the most since records began five years ago. That tells me that cash is still king and we should not disregard it.

I am old enough to remember the '60s and the early '70s, when my mum and others, on a tight budget, used envelopes to set aside money for the gas, the electric, food and the rent. That meant that the management of the moneys for all the bills was done right. I believe that history will repeat itself and we will see that happening once again. Cash will be more important than ever.

The right hon. Member for East Hampshire (Damian Hinds) referred to the growth of credit unions. In Northern Ireland, credit unions have been an incredible success. They can do better for everyone. In some cases, they have replaced banks where those have closed. Will the Minister say what can be done to ensure greater use of credit unions?

I am concerned that, as we approach the autumn and winter, many will suffer from malnourishment, freezing homes and depression in the coming crisis. I believe that

the Bill will do more than just regulate the financial regime; it will ensure that we can support the people we are privileged to represent and keep them protected this winter.

6.34 pm

Gareth Davies (Grantham and Stamford) (Con): It is a great pleasure to speak in this debate on a Bill that is, frankly, the biggest reform of financial regulation in a generation. First, I pay tribute to the longest-serving Economic Secretary that we have known, my hon. Friend the Member for Salisbury (John Glen), who committed his work with great diligence and who is greatly respected in the industry to this day.

I care a lot about the financial services industry. I worked in it for many years, it taught me a lot about the world, and my wife works in it, so I personally want it to thrive, but given its significance to our economy and people, we all should. The Prime Minister was right when she said that it is the “jewel in the crown” of our economy. It is a direct benefit to businesses, savers and investors, and an indirect benefit to us all through jobs, growth and tax revenue. That is why it is important that we do everything we can to unleash its potential, as this Bill does.

I welcome the fact that the Bill takes advantage of our regulatory freedoms now that we are not in the European single market, gives more control to our domestic regulators and ensures that they are more focused on international competitiveness. All those who worry about that resulting in a decline in regulation should be assured that the primary objective remains intact, and that that mirrors established conventions in markets with highly regulated systems, such as Australia and Japan.

I welcome the moves to tighten the regulations on promotions by creating a new regulatory gateway for approvals. I also welcome the provisions to improve the co-ordination between the FCA and the PRA. As a member of the Treasury Committee, I welcome its enhanced role, but join others in saying that it is important that it has the resources and expertise to carry out that role effectively.

This is an excellent Bill that will help to drive the industry and our country forward. I have been struck that we all agree on one aspect, which I will talk about: the need to further democratise our capital markets. Despite the remarkable success in the finance industry, it genuinely bothers me that not enough of our people are directly participating in or benefiting from our capital markets. Although we are all stakeholders in UK plc, not enough of us are shareholders with a stake in our economic success.

We can do three things to address that. First, I am a huge advocate of extending auto-enrolment to those aged 18 to 22, so that they can get on the savings ladder earlier. That would create 900,000 new savers and £1 billion extra in savings for our economy, and it would do a great deal to encourage a better savings culture. Secondly, we should look at removing regulatory obstacles to people receiving investment advice, so that people do not just save, but invest. Thirdly, I want us to get on with reforming Solvency II, so that more pensioners can expand their investment universe into illiquids such as infrastructure. If we do those things, we can build on this excellent Bill and ensure that everyone shares in the success of our world-leading financial services sector.

6.38 pm

Abena Oppong-Asare (Erith and Thamesmead) (Lab): I am grateful for the opportunity to close the debate on behalf of the Opposition. As my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq) said, we broadly support this important Bill.

We recognise that regulatory divergence from the EU will produce opportunities for the sector, such as through Solvency II reform and making sure that the UK is a welcoming environment for fintech. We also support the principle of a secondary objective on international competitiveness and growth. Labour is committed to supporting the City to retain its competitiveness on a world stage and supporting the UK to remain a global financial centre outside the EU. This should not, however, mean any compromise on financial stability or consumer protections.

I also want to echo my hon. Friend's point about recent Government infighting. This has undermined confidence in the City just when the sector needs clear direction on post-Brexit reform. The new Prime Minister's off-the-cuff policy announcements during the summer and threats to abolish our world-leading regulators have left our financial services in a state of uncertainty. The Government must provide the City with the certainty it needs to thrive and to take advantage of opportunities outside the EU. I therefore hope that the Minister will use this opportunity to inform the House, the wider public and the financial services sector whether the Government plan to radically alter this legislation in the coming weeks and months.

While we will support the Bill, there are a number of issues that we believe the Government have yet to address. My hon. Friend raised a number of these important questions in her speech, which I hope the Minister will address in his closing remarks, including whether regulators will be held to account on the advancement of long-term growth in the real economy, and how the Bill will address the decline in the UK's financial services exports to the EU.

I take this opportunity to thank the hon. Member for Salisbury (John Glen) for the work he did on this Bill. I, along with my hon. Friend the Member for Hampstead and Kilburn and the rest of our team, know that he was always communicative with the Opposition despite our differences and he was always respectful in his delivery. It is also pleasing to see the former Chancellor the right hon. Member for Richmond (Yorks) (Rishi Sunak) speaking in this debate, which shows that he is still taking this Bill very seriously.

I thank hon. Members on all sides of this House for their contributions. I am particularly grateful to my hon. Friend the Member for Feltham and Heston (Seema Malhotra), who talked about how mortgage prisoners are impacted by the SVR. I hope that the Minister will take up the invitation to meet her, as she certainly has a lot of knowledge in this area.

My hon. Friend the Member for Edmonton (Kate Osamor) spoke about how small and medium-sized businesses, such as hairdressers and nail salons, rely on cash payments and how her constituency is one of the most cash-deprived. The right hon. Member for South Northamptonshire (Dame Andrea Leadsom) referenced the need for free access to cash, and highlighted the

[Abena Oppong-Asare]

points raised by Opposition Members. I hope that on this vital topic we can find common ground to resolve this issue in the best interests of all our constituents.

My right hon. Friend the Member for Hayes and Harlington (John McDonnell) and my hon. Friends the Members for Kingston upon Hull West and Hessle (Emma Hardy) and for Blaenau Gwent (Nick Smith) all raised concerns about the FCA. I am sure the Minister will agree that holding bad actors to account is very important, and I look forward to his comments in his summing up.

My hon. Friend the Member for Walthamstow (Stella Creasy) made a particularly important point about how those using buy now, pay later lenders are drowning under the cost of living crisis. The wishy-washy intervention planned for 2023 will just be far too late. We need swift action right now, and my hon. Friend pointed out that there is a lack of strong will from the Government in this area.

My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) spoke passionately about the closure of bank branches in her constituency and the impact this is having on elderly and disabled constituents.

All the contributions from across the House were really valuable, but I want to raise a number of additional issues, such as cryptocurrencies. First, clauses 21 and 22 will bring stablecoins, a type of cryptoasset, into the scope of regulation when used as a form of payment, which as the Minister has said, will pave the way for their use in the UK as a recognised form of payment. He and I discussed this in Westminster Hall this morning, but the recent collapse in the value of cryptoassets, including several stablecoins, has put millions of UK consumers' savings at risk.

The crypto trading platform Gemini has estimated that as many as one in five people in the UK could have lost money in the crash. Does the Minister agree that the crisis in crypto demonstrates that so-called stablecoins are not necessarily stable? How did the recent collapse in the value of cryptocurrencies inform the Treasury's approach to clauses 21 and 22 of the Bill?

Will the Minister explain why the Government have opted to bring only stablecoins within the regulations? For example, the EU just agreed to a comprehensive regime for regulating the entire cryptocurrency industry, while the UK will not even consult on a comprehensive regime until later this year. In the absence of a comprehensive regulatory regime, the UK has become a centre for illicit crypto activity. According to Chainalysis, a global leader in blockchain research, cryptocurrency-based crime, such as terrorist financing, money laundering, fraud and scams, hit a new all-time high in 2021, with illicit activity in the UK estimated to be worth more than £500 million.

Meanwhile, misleading advertising and marketing of cryptocurrency projects is on the rise. In the absence of a comprehensive regulatory regime, how will the Government crackdown on illicit activity and misleading advertising and promotions, beyond the regulated stablecoins? Finally, how do the Government foresee the regulated stablecoins interacting with the future of central bank digital currency?

Let me express the disappointment felt on the Opposition Benches that the Bill has failed adequately to address financial exclusion. My hon. Friend the Member for Hampstead and Kilburn has already touched on the need to address digital exclusion by protecting access to essential face-to-face banking services, and the Bill has failed to promote financial diversity and resilience by removing the regulatory barriers faced by mutuals, building societies and co-operatives. In addition to my hon. Friend's important points, the Bill does nothing to address the poverty premium—the extra costs that poorer people pay for essential services such as insurance, loans or credit cards—and right now, those people will be feeling the impact of that.

Labour believes that everyone should have access to the financial services they need, whether that is saving schemes or insurance, and regardless of their income or circumstances. All too often, the most vulnerable in our society are unable to afford or are denied access to financial products and services that meet their needs. If the Government are serious about building a strong future for our financial services outside the EU, they should recognise that the Bill is an opportunity to rethink how financial resilience, inclusion and wellbeing issues are tackled in the UK. I hope the Minister will address those points in his response.

I realise that time is pressing, and I want to give the Minister the opportunity to respond to all the issues raised today. In conclusion, although Labour Members support the Bill, which will enable the UK to tailor financial services regulation to meet the needs of our economy, we will be pushing for bolder, more radical action in a number of areas including green finance, financial inclusion and economic crime, to make Brexit work for our financial services and the wider economy.

6.48 pm

The Economic Secretary to the Treasury (Richard Fuller): With the leave of the House I would like to speak for a second time, and I will start by thanking right hon. and hon. Members for their contributions to the debate. As the hon. Member for Erith and Thamesmead (Abena Oppong-Asare) has just said, I welcome the broad support across the House for the Bill.

As has been clear throughout the debate, I am really a small person standing on the shoulders of the two giants responsible for the Bill—my hon. Friend the Member for Salisbury (John Glen) and my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak). I will seek to address what I can of what has been said in the time available—[Interruption.] Shush. Where I am not able to, I shall write to colleagues where I feel that I can add something meaningful. I also look forward to Committee, where I will be able to address some of the points in more detail.

As I said in opening the debate, this is an important and ambitious Bill that seizes opportunities afforded by EU exit to make important reforms to the regulation of financial services. As my right hon. Friends the Member for Richmond (Yorks) and for South Northamptonshire (Dame Andrea Leadsom) and my hon. Friend the Member for Salisbury said, the resilience of the United Kingdom financial services market as we exit Brexit has been much stronger and greater than the naysayers said. Once again, people who talked down our country have been proved wrong.

There were questions on a number of areas, but I will start with access to cash, which was raised by a several Members. The UK Government remain absolutely committed to protecting consumers and supporting inclusion. The impact of bank branch closures should already be understood, considered and mitigated where possible so that all customers, wherever they live, and especially the most vulnerable, continue to have appropriate access to face-to-face banking services. Meanwhile, innovative, shared bank hubs allow customers of participating banks to withdraw and deposit cash and seek support from a representative of their bank in person. It was pleasing to hear the contribution from my hon. Friend the Member for Cleethorpes (Martin Vickers) regarding the hub at Barton-upon-Humber, and that of my hon. Friend the Member for Mid Derbyshire (Mrs Latham) about Belper. She mentioned the knock-on benefits that banking hubs can have on high streets both in Belper and in other parts of the country. My hon. Friend the Member for Vale of Clwyd (Dr Davies) and the hon. Member for Mitcham and Morden (Siobhain McDonagh) spoke about the importance of financial hubs in their constituencies.

Those are an important part of access to cash, but the Bill also provides the FCA with powers to protect access to cash specifically. Where appropriate, the FCA could exercise the powers in the Bill to prevent a branch closure where in doing so it is seeking to ensure reasonable provision of cash access services. That may be the case, for example, if a closure would result in a significant adverse impact in relation to accessing cash in that area. The Government expect such situations to be exceptional and temporary while alternative arrangements to meet cash needs are put in place, but ultimately that access to cash must and will be protected.

The Bill allows the FCA to determine standards to ensure reasonable access to cash access services. In determining reasonable access, the FCA may take into account factors that it considers appropriate, which may include appropriateness of facilities for vulnerable users, including cost, security availability and accessibility for, for example, disabled people. The FCA is developing its regulatory approach for access to cash and will consult in due course.

Tulip Siddiq: Does the Minister support free access to cash—yes or no?

Richard Fuller: I was about to come to that. As I said earlier, while I cannot give an assurance on free-to-use ATMs, I do expect us to return to the matter in more detail in Committee. I tried to write down those right hon. and hon. Members who used those four letters—F, R E and E—in describing their wish for access to cash. They included my hon. Friends the Members for Blackpool North and Cleveleys (Paul Maynard), for Cleethorpes and for Mid Derbyshire as well as the hon. Members for Kingston upon Hull West and Hessle (Emma Hardy), for Feltham and Heston (Seema Malhotra), for Richmond Park (Sarah Olney) and for Mitcham and Morden. As I said, we will return to these issues in Committee, particularly given the level of interest in them.

I turn to other matters. The shadow spokesperson, the hon. Member for Hampstead and Kilburn (Tulip Siddiq), asked about the new secondary objectives for growth and competitiveness and whether they were aimed at advancing long-term growth in the real economy.

Those secondary growth and competitiveness objectives will enable the PRA and the FCA to make rule changes to advance the long-term growth and competitiveness of the UK economy, including the financial sectors. The new objectives refer to the UK economy as a whole, including in particular the financial services sector.

The hon. Member for Richmond Park, who is in her place, and the hon. Member for Brighton, Pavilion (Caroline Lucas), who I do not think is in her place, talked in an intervention about whether the regulator should have a green objective. Including the net zero target specifically in the regulatory principles ensures that the Government's commitment to reach net zero will be embedded in regulator considerations. Therefore, it is more appropriately progressed by regulators as a regulated principle, which means they will consider the Government's target when they advance their own objectives. We heard a lot about what the Government are doing on green finance which did not pay enough regard to the progress the Government have made already on that. Let me just list it. The UK is rated No. 1 globally in the Z/Yen Global Green Finance Index. The UK has had the largest green gilt instruments globally. The UK had the first green savings account issued with the national savings fund. The UK is the first major economy to implement fully the taskforce for nature-related financial disclosures across both financial services and the real economy. The UK is the largest donor to multilateral climate investment funds. That is a record this Government can be proud of. That is a record that this country can be proud of as well.

The hon. Member for Kingston upon Hull West and Hessle asked about having regard to financial inclusion. The Government believe that the FCA's current and ongoing initiatives around financial inclusion demonstrate that it can already effectively support the Government's leadership of this agenda through its additional operational objectives and regulatory principles.

The shadow spokesperson asked how seriously Parliament should take the speculated proposals to merge the regulators. There are no plans to merge the PRA and the FCA. Again, she asked about the independence of regulators and how we can ensure the continued independence of our regulators. The legislative framework underpinning financial services regulation in the UK provides for the regulation to be independent of the Government.

My hon. Friend the Member for Wimbledon (Stephen Hammond), who I think may be in his place, asked about whether we could commit to an annual report on the key performance indicators of the regulators. Both regulators, I am pleased to say, will be required to report on their performance against their growth and competitive objectives on an annual basis. This will be similar to the PRA's current reporting requirements for its secondary competition objective. My hon. Friend also asked about the important issue of cost-benefit analysis panels and what the accountability of the regulators will be. The Government expect that the panel will operate in the same way as other statutory panels, where they appoint external members. Ensuring the right membership of panels is crucial to their success in promoting and challenging a range of expertise.

The Chair of the Treasury Committee, my right hon. Friend the Member for Central Devon (Mel Stride), asked an important question about the Bank of England's

[Richard Fuller]

independence. I can tell him and the House that the Chancellor today met the Governor. I refer him and other hon. Members to Her Majesty's Treasury's statement on that meeting. The Chancellor affirmed that the UK's long-standing commitment to the Bank of England's independence and its monetary policy remit. The Chancellor and the Governor agreed that getting inflation under control quickly is central to tackling cost of living challenges.

My right hon. Friend the Member for Richmond (Yorks) asked whether the European regulations on PRIIPS will be reformed. Yes, the Bill will repeal and retain EU law for PRIIPS. He also asked about ringfencing and whether ringfencing will be reformed. The Treasury welcomes the comprehensive set of recommendations to the Independent Panel of Ring-fencing and is committed to publishing a Government response later this year.

There were many other questions, particularly on MRAs—mutual recognition agreements—crypto-assets and other issues. I will have to write to Members, given the amount of time available. On the important issue of scams and fraud prevention, which was raised by many Members, I acknowledge the seriousness of the issues we face, but I do not accept that the Government and regulators are not taking action to prevent fraud, both in relation to financial services and more widely. The Government are clear that prevention is better than cure and that a multifaceted approach is needed to tackle fraud. The shadow City Minister asked what we were doing beyond financial services. I point to the Online Safety Bill, which the Prime Minister committed to in the House today.

There were many, many issues also raised that I have not had time to refer to today, but that just indicates the wide breadth and importance of the Bill. The Bill capitalises on our freedoms outside the EU by bringing forward an ambitious set of reforms that assert the UK's global leadership in financial services, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

FINANCIAL SERVICES AND MARKETS BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Financial Services and Markets Bill:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 25 October 2022.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and Third Reading

(4) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—(Richard Fuller.)

Question agreed to.

FINANCIAL SERVICES AND MARKETS BILL (MONEY)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Financial Services and Markets Bill, it is expedient to authorise the payment out of money provided by Parliament of:

(a) any expenditure incurred under or by virtue of the Act by the Treasury,

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided,

(c) loans from the National Loans Fund.—(Richard Fuller.)

Question agreed to.

FINANCIAL SERVICES AND MARKETS BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Financial Services and Markets Bill, it is expedient to authorise:

(a) the charging of fees,

(b) payments into the National Loans Fund, and

(c) the payment of sums into the Consolidated Fund.—(Richard Fuller.)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (TRADE)

That the draft Cat and Dog Fur (Control of Movement etc.) (EU Exit) Regulations 2022, which were laid before this House on 20 June, be approved.—(Adam Holloway.)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

DEFENCE

That the draft Armed Forces Act (Continuation) Order 2022, which was laid before this House on 13 June, be approved.—(Adam Holloway.)

Question agreed to.

PETITIONS Windfall Tax

7 pm

Richard Burgon (Leeds East) (Lab): I rise to present a petition alongside a corresponding online petition signed

by over 65,000 people. They are appalled that, at this time of crisis, the Government are choosing to protect oil and gas firms' super-profits, all made off the backs of higher bills for millions of ordinary people. They believe that these oil and gas giants should not be able to make a single penny in excess profits and are calling for these profits to be taken and used to provide crucial funding to help people through this cost of living emergency.

The petition states:

The petition of residents of the United Kingdom—
therefore requests—

that the House of Commons urge the Government to review proposals to at least double the Windfall Tax so that oil and gas firms do not make a single penny in excess profits out of this crisis, and use the billions in additional funding to help people through the cost-of-living emergency.

Following is the full text of the petition:

[The petition of residents of the United Kingdom,

Declares that soaring energy bills are driving the biggest fall in living standards in living memory; further that, to ensure that the needs of people are put ahead of the profits of energy giants, we need bold action including freezes to the energy price cap, energy firms brought into public ownership and the rolling-out of a mass programme of home insulation; further that we must also urgently tackle the eye-watering level of profits that North Sea oil and gas companies are making on the backs of higher bills for ordinary people; notes that the Conservative Government's Windfall Tax is set far too low and lets oil and gas giants off the hook as they are continuing to make vast undeserved profits at levels way beyond what they had ever expected.

The petitioners therefore request that the House of Commons urge the Government to review proposals to at least double the Windfall Tax so that oil and gas firms do not make a single penny in excess profits out of this crisis, and use the billions in additional funding to help people through the cost-of-living emergency.

And the petitioners remain, etc.]

[P002765]

Right of Refusal of Development on Green Belt Land

Mrs Emma Lewell-Buck (South Shields) (Lab): I rise to present this petition organised by Jane Mills on behalf of 878 South Shields residents who oppose the development of 156 residential properties on land west of Sunnyside farm, a site within the green belt with a food-producing arable field and a heavily used historical footpath linking two ancient monasteries.

The petition states:

The petitioners therefore request that the House of Commons urge the Government to change the National Planning Policy Framework to include a clause of a right of refusal of development on green belt land, thus giving local people the right to say what is to happen in their community.

Following is the full text of the petition:

[The petition of residents of South Shields,

Declares that the development of 156 residential properties on GA2 land is inappropriate and unwanted by the community; further that the development lies west of Sunnyside Farm

in South Shields, a site within the green belt which has had a food producing arable field for over thirty five consecutive years; further that, if allowed, the development would disrupt the heavily used 7th century Bede's Way footpath which links the two ancient monasteries of St Paul's and St Peter's which are dedicated to The Venerable Bede; and further that all communities should have a clause or exception of a right of refusal of development on green belt land which is used to produce arable food or where local communities do not want development that would destroy the openness and permanence of the land.

The petitioners therefore request that the House of Commons urge the Government to change the National Planning Policy Framework to include a clause of a right of refusal of development on green belt land, thus giving local people the right to say what is to happen in their community.

And the petitioners remain, etc.]

[P002766]

Communal Heating Systems

Munira Wilson (Twickenham) (LD): I rise to present a petition on behalf of 27 residents of Wharf House in Twickenham and a further 40 residents of Carlton House, Camera House and Shepperton House in Teddington. They are among the estimated 400,000 Londoners, many of whom live in social housing, who have been left unprotected by the Ofgem energy price cap because their homes are connected to communal heat networks.

The petition states:

The petitioners therefore request that the House of Commons urge the Government to reallocate funds to provide full, immediate financial support to households with communal heating systems, subsidise the excess cost of their bills over the energy price cap set by Ofgem, and to expedite the legislation the Government proposed last year to regulate heat networks in order to protect customers.

Following is the full text of the petition:

[The petition of residents of the constituency of Twickenham,

Declares that communal boiler schemes are not regulated by Ofgem, and are hence not protected by the cap on energy price rises; further that residents in Twickenham were told that their communal boiler schemes would be a more environmentally friendly and cheaper way of supplying energy; notes that residents have now been informed that the cost of their heating is going to rise by up to 700%; notes that there are over 14,000 heat networks in the UK, supplying as many as 480,000 people who have been left unprotected by the price cap as energy prices skyrocket; and further that a significant number of these homes are classed as social housing.

The petitioners therefore request that the House of Commons urge the Government to reallocate funds to provide full, immediate financial support to households with communal heating systems, subsidise the excess cost of their bills over the energy price cap set by Ofgem, and to expedite the legislation the Government proposed last year to regulate heat networks in order to protect customers.

And the petitioners remain, etc.]

[P002767]

Small Modular Reactors: Government Funding

Motion made, and Question proposed, That this House do now adjourn.—(*Adam Holloway.*)

7.4 pm

Mr Tobias Ellwood (Bournemouth East) (Ind): Thank you very much, Mr Deputy Speaker, for chairing this timely debate on modular nuclear reactors in the United Kingdom. Until recently, we took our dependence on electricity generation for granted. Policy has rightly been influenced by our ambitions to reduce our carbon footprint, arguably faster than many other developing and developed nations, but we may have been a little complacent over the past few years in regard to the security of energy supply.

Our world is getting more dangerous, not less. The war in Ukraine has been a massive reality check, exposing how reliant we are on—and therefore how vulnerable we are to—access to international energy markets to keep our lights on. We require imports of gas, oil and coal to fuel our power stations. All too regularly, we have to import electricity from the continent through the interconnectors when we cannot generate enough power ourselves.

The security situation in eastern Europe is clearly complicating matters. Putin is weaponising Russia's distribution of oil and gas, causing large-scale economic harm across Europe. The cost of living crisis here has many components, but arguably a major contributor is the spike in global energy prices and the volatility in the energy markets. All this requires a sense of urgency in finding short and long-term solutions. We expect that tomorrow the Government will spell out their support to get us through the crisis. There is much speculation that energy bills may be frozen, helping us to get through a very difficult winter, but we also require a longer-term strategy to become far more energy self-sufficient as we enter a decade in which global security is on the decline.

Jim Shannon (Strangford) (DUP): I congratulate the right hon. Member on securing the debate. Does he agree that the use of small modular reactors, in conjunction with nuclear energy, gives more solid certainty about sustained energy, particularly in relation to my constituency of Strangford in Northern Ireland? Northern Ireland has no nuclear production, so it is essential for the type of energy to which he refers to be UK-wide. It is needed across the whole United Kingdom of Great Britain and Northern Ireland.

Mr Ellwood: I agree. I welcome the Government's action to bolster our energy resilience: finally increasing UK gas storage capacity, investing in better insulation for our homes, growing the contribution of wind and solar to our energy mix, and of course investing in new nuclear. As the Government's energy and security strategy sets out, Britain will accelerate new nuclear, including modular reactors, which will form a key part of the energy mix.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Will the right hon. Member give way?

Mr Ellwood: I will make some progress, if I may.

We have Hinkley Point and Sizewell C coming online, adding 3,000 MW to the grid, but it will be a full decade before they start to add their power. We do not have the luxury of waiting that long. Energy consumption here and across the world will only increase as we move towards a cleaner fossil-free environment, especially across Africa, as economies and industries grow, placing ever greater demands on the ability to generate power.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Will the right hon. Member give way?

Mr Ellwood: I will make a little more progress and then give way. I know that this is an important debate.

That last point brings me to the subject that we are discussing today: Britain's development of modular nuclear reactors. The concept is not new; Rolls-Royce has been building small reactors to power our Royal Navy submarines for decades, so one would think the UK well placed to be the first nation to have one up and running.

The benefits are very clear, and I am sure that the list will be added to in this debate. Each single reactor from Rolls-Royce generates approximately 470 MW of energy, enough to power 1 million homes. They cost only £2.2 billion each, versus the £20 billion that their bigger brothers cost. Once the first five reactors are built, the concept can be proven and we can start looking at exports. The export market for Rolls-Royce is worth £54 billion to the UK. This will not only help the UK, but help other nations to address their crippling energy prices and meet their COP26 targets.

Liz Saville Roberts: Trawsfynydd, in Meirionnydd, is entirely publicly owned, and is a nuclear-licensed site. As such, it offers an unparalleled opportunity for the fastest deployment of SMR technology at any UK site. The Nuclear Decommissioning Authority and the Welsh development company Cwmni Egin are working together on proposals for siting, and hopes are high that construction will begin in 2027. That is where the timing is so critical. I am sure that the right hon. Gentleman will agree that Cwmni Egin's development model provides a blueprint, which could be used not just in Wales but beyond, for the alacrity of development that we are all seeking.

Mr Ellwood: I am grateful for that intervention, which confirms that there is a desire to see these reactors built here in the UK. Initially they will all be built in a single factory, which, once it is up and running, will be able to build the components in months rather than decades. Just about all the moving parts are in place to make this happen: the design, the support from the Department for Business, Energy and Industrial Strategy—represented by the Minister who will respond to this debate—the initial development costs, the private sector investment and interest, and the factory in Derby that has been earmarked, along with potential sites across the country. We would be creating 40,000 jobs and £50 billion of investment, and offering a revolution in clean energy supply.

So what is the problem? If we have a workable design, a genuine solution to help resolve this energy challenge, a Government Department saying all the right things and offering support, and backing from the private sector, why did I need to bring this issue to the Floor of the House? The answer is very simple. The Rolls-Royce

design is now stuck between the development and delivery phases, and that delay means that the built-in advantage that Rolls-Royce has—its experience of procuring nuclear reactors for the Royal Navy—is being lost because of unnecessary delays and bureaucracy. Obviously all nuclear reactors are complex and there should be no short cuts to their procurement, but this is not about design approval; it is about the political will. The Government need to formally agree to commission those first five reactors here in the UK. That would allow Rolls-Royce to secure the funds to build the factory, and thus allow more reactor orders to be honoured.

Jamie Stone: Dounreay, in my constituency, was the site of the very first nuclear reactor built in the United Kingdom. The site is licensed, it has a very skilled workforce today, and it has huge local support. Does the right hon. Member agree that it should be considered as a site for one of these new reactors?

Mr Ellwood: I would love to be the one who gifts these locations, and I would be grateful—I am sure the Minister is hearing this—if those five locations then received potential building permissions, but we need first to cut through the red tape that is stuck in the Government. I stress that the problem is not the Department represented here today; it is, I am afraid, the Treasury.

Virginia Crosbie (Ynys Môn) (Con): As chair of the all-party parliamentary group on small modular reactors, I thank my right hon. Friend for allowing me to intervene in this important debate.

Rolls-Royce SMR has secured funding of £210 million from UK Research and Innovation, and a further £280 million from private investors. We now need to move to the next stage, which is all about deployment. We need to agree with the UK Government on plans for siting and funding. Manufacturing plants have been earmarked for Rolls-Royce SMR across the UK, including Deeside, which will benefit north Wales and my constituents in particular. Does my right hon. Friend agree that the next stage is important because it will unlock more private sector investment and result in new factories and more high-skill jobs in the UK during this Parliament?

Mr Ellwood: I am grateful to my hon. Friend for her intervention, and I commend her work in chairing the all-party parliamentary group. I hope that her comments will fall on the welcome ears of the Minister, who is soon to get to his feet.

My plea to the Minister is simple. I ask him please to recognise that the scale of the energy crisis we face necessitates a leaning into this project to secure the greater political alignment that would allow funding models to be completed during this Parliament. That is entirely possible.

Europe is once again at war, and it is time for us to move to a warlike footing if we are to reduce our dependence on overseas power sources which are exposed to volatile international prices and, indeed, adversarial interference which we cannot control. We can enjoy greater energy self-sufficiency with cheaper bills by generating cheap, clean, reliable power within our borders. We have the know-how, we have the desire, we have the industrial advantage; I simply ask the Minister for the political will to make it happen.

Mr Deputy Speaker (Mr Nigel Evans): I welcome the Minister to his new role.

7.14 pm

The Minister for Climate (Graham Stuart): Thank you, Mr Deputy Speaker.

I want to begin by congratulating my right hon. Friend the Member for Bournemouth East (Mr Ellwood) on securing this important debate and speaking so passionately about the benefits that can come from this fascinating development of a UK capability in nuclear power. Tonight's debate gives us the opportunity to build on the discussion on small modular reactors and energy security in the UK convened by my hon. Friend the Member for Ynys Môn (Virginia Crosbie) in January this year.

As Climate Minister I am proud to support not only the Government funding but the private investment that we are sometimes seeing facilitated by that Government funding in the nuclear sector. As my right hon. Friend the Member for Bournemouth East has said, the global energy crisis created by Russia's invasion of Ukraine underlines our resolve to develop new nuclear capacity in order to boost our energy security. I am sure that all of us who take an interest in this will have been gladdened by the fact that there is such strong support for that across the House this evening.

As we make strides towards delivering net zero, the demands on our electricity system will increase. Electricity will be increasingly important, potentially providing around half of final energy demand as its use for heat and transport increases. That would require a fourfold increase in clean electricity generation, with the decarbonisation of electricity underpinning the delivery of that overall net zero target. Our analysis shows that all low-cost, low-emission solutions that will take us to this net zero-compliant electricity system are likely to require a combination of new nuclear, combined cycle gas turbines and carbon capture, utilisation and storage, in addition to growing levels of renewables. It is a complex piece, but we need all the bits to come together to meet the challenges that my right hon. Friend has set out.

Nuclear power is important for the UK's energy security. As the world has emerged from covid-19, global demand for energy has risen significantly, and this has been exacerbated by Putin's malign invasion of Ukraine. But secure, clean and affordable energy for the long term depends on the transformation of our energy system, and that means more home-grown energy from increasingly diverse sources in order to reduce our dependency on imported fossil fuels and our exposure to the high and volatile prices in international markets that we can see today.

Hon. Members will be aware that in April 2022 we announced the British energy security strategy. This set out our ambition to deploy up to 24 GW of civil nuclear power by 2050, which will meet around 25% of our projected 2050 electricity demand. New nuclear generating capacity is an important part of our plans to ensure greater energy resilience as well as having a crucial role to play in net zero. I am delighted that the British energy security strategy set out the Government's intention to take a large-scale new project to final investment decision during this Parliament, and that two projects will reach that point in the next Parliament, subject to the necessary approvals.

I remind Members that SMRs will play an important part, as well as those larger nuclear installations, and will be a critical part of delivering new nuclear for the

[Graham Stuart]

UK. They offer the opportunity for flexible deployment options—we have already heard various bids to host them—and could bring regional and socioeconomic benefits, including the creation of high-value manufacturing and engineering jobs on site and on the site of manufacture.

In November last year, as my right hon. Friend has said, we announced £210 million in match funding for Rolls-Royce SMR Ltd to develop the design for one of the world's first small modular reactors. Funding for this project was predicated on Rolls-Royce matching the Government's contribution with private investment, which has been found, giving the design the capability of being deployed in the UK by the early 2030s, if not before. The Government funding for Rolls-Royce is part of the advanced nuclear fund, which is a significant Government commitment of up to £385 million, both to develop domestic SMR design and to demonstrate the viability of innovative advanced modular reactors by the early 2030s.

In addition to investment in SMRs, the Government plan to invest in the AMR research, development and demonstration programme, which, as I say, should get something going by the early '30s. It is focused on high-temperature gas reactors for low-carbon electricity generation and would allow the production of very high-temperature heat that could be used, for instance, for the increasingly efficient production of low-carbon hydrogen, to help to decarbonise industrial process heat, or even for synthetic fuel production.

I am pleased to remind Members that we launched the future nuclear enabling fund, or FNEF—I have realised, on my first day, that BEIS is full of acronyms galore—on 2 September 2022. The FNEF—they are never terribly well crafted—is a £120 million fund announced in the Government's "Net Zero Strategy: Build Back Greener" in 2021. It aims to help mature potential nuclear projects ahead of any Government process to select future projects. We expect to make awards from the fund at the end of this year or at the start of 2023.

Alongside the launch of the FNEF, we are setting up Great British Nuclear, a body to enable nuclear projects and get us on a pathway to meeting our ambitions for new nuclear, with the aim of ensuring the kind of rapidity that my right hon. Friend is right to press for from Ministers such as me. We intend to initiate a selection process in 2023, with the intention that we will enter into negotiations with the most credible projects to enable a potential Government award of support as soon as possible.

I was pleased that Parliament backed the Nuclear Energy (Financing) Act 2022, which was granted Royal Assent in March and established a new regulated asset base—or RAB—funding model for all new nuclear projects.

Mr Ellwood: I hope my hon. Friend will forgive me for not having congratulated him on securing his new position. He is a round peg in a round hole; I know how passionate he is about the environment. Will he join me in paying tribute to my right hon. Friend the Member for Spelthorne (Kwasi Kwarteng), who was previously in charge at BEIS? He is now in the Treasury and therefore perfectly placed to advance this idea. During

the war there was an effort to create munitions, and we leant into that project because there was a necessity, and during covid there was a necessity to create personal protective equipment. Does my hon. Friend agree that there is now a necessity for us to lean into this idea and expedite it—within the safety parameters—to make sure that we can become more energy resilient?

Graham Stuart: I thank my right hon. Friend, and I am happy to do that. He will forgive me, perhaps on this one day only, for not leaning in to chastise any other Department or the Government in general on day one, self-confident though I always try to be. If we look at what we have done, we see that we have reduced our emissions by more than any other major industrialised nation, and offshore wind has been a triumph.

I am looking forward to learning more about the detail of these programmes, but I have no doubt that with the right will and the proper prompting by colleagues from across the House we can ensure that we move with the speed necessary. We need to, because as he rightly says, we are not alone in pursuing and seeing this opportunity, and there have been instances in the past when this country has been in a position to lead and has not moved quickly enough, and multibillion-dollar opportunities—let us call them that—have ended up going elsewhere.

I am determined that we shall not only deliver on our green obligations in this country, but build our industrial capability so that even the most sceptical person comes on board as we say, "Look, we are not just dealing with climate and not just cleaning up our domestic situation. We are developing major industrial capability so that we can sell that to the rest of the world, help it with the net zero challenge, and also produce jobs and prosperity here." It is not a hairshirt that we want; we want to get the policy right so that we are part of a global solution, and to do so in a way that boosts jobs and prosperity and carries the support of everyone, regardless of their views on climate-related matters.

We believe that the RAB could cut the costs of financing these projects, enabling companies to finance new ones and ending our reliance on overseas developers for finance, resulting in savings for consumers. On day one, I can reassure my right hon. Friend that a lot of work is going into making sure not only that we can move at pace, but that we do so with the most solid base possible.

We fully support the development of small modular reactors and the exciting opportunities that they can offer the UK in energy security and reaching net zero. We have demonstrated our intent to build new nuclear capacity in the UK over the past year, and we have made the decisions that we believe will provide the confidence needed for investors and businesses to get behind it. From the energy White Paper to our landmark British energy security strategy to funding for small modular reactors and the future nuclear enabling fund, I hope we have shown our dedication to energy security, net zero and nuclear. I thank my right hon. Friend and other colleagues once again.

Question put and agreed to.

7.25 pm

House adjourned.

Westminster Hall

Wednesday 7 September 2022

[CHRISTINA REES *in the Chair*]

Cryptoassets: Regulation

9.36 am

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I beg to move,

That this House has considered the Government's regulatory approach to crypto-assets and currencies.

It is good to see you at least in the Chair, Ms Rees, and it is good finally to be here to talk about a subject that has produced an awful lot of heat and often little light in this place—that of the regulations on cryptocurrencies. I hope you will forgive me if I go on at some length about the issues that I think we have to debate in Parliament today.

We should start with a few pieces of accountability as, of course, we are not quite in the post-trust era. I am the chair of the all-party parliamentary group on blockchain, as well as being a vice-chair of the crypto and digital assets all-party parliamentary group. I see the chair of that all-party group, my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), in their place today. The latter group is a relatively new kid on the block as it was established just last year, whereas the all-party parliamentary group on blockchain has been around for some time.

Let me come to the first of many aspects of what we can see as a sort of cognitive dissonance around the idea of crypto. Despite the fact that we often talk about crypto as a new kid on the block, it is now a pretty widely accepted concept, even if a poorly understood one, and I am glad to see that we have interest in today's debate from across the Chamber—at least, I think we have interest from across the Chamber. I hope we will hear a lot of interesting ideas about what the future holds, and I will add a couple of suggestions of my own towards the end of my speech. Given that this is the first debate in the House on the subject, we require something of a tour d'horizon of the landscape as it lies today before we move on to the challenges and some opportunities that recent developments provide for the future of crypto.

Before doing so, however, let me place on the record my gratitude to the secretariat of the all-party parliamentary group on blockchain, led by Professor Birgitte Andersen of the Big Innovation Centre. Her leadership in creating space within the all-party parliamentary group to allow many of the big issues of the day to be debated over the past few years has been vital, and the work put in by her researcher, George Farrer—and indeed by his predecessor, Fernando Santiago—to ensure that the topics remain current and relevant has been much appreciated.

Through the forum that the all-party parliamentary group provides, I was able to meet Dr Robert Herian, now of the University of Essex, and I am much indebted to the work he has done, particularly in his 2018 book “Regulating Blockchain”, which will provide the basis of some of the suggestions I make today. If Members are interested in the subject, they should buy a copy of the book. I am sure Dr Herian will be glad of the plug.

For a movement that is often described as a cult, it is apt that crypto even has its own origin story: it was invented on 31 October 2008 with the release of Satoshi Nakamoto's “Bitcoin Manifesto”. However, as with much of the myth and legend around the subject, it is unclear whether Nakamoto is a single person, or indeed whether much of the work was singly their own, given that theoretical work had been done on different concepts of blockchains, going back to the early 1980s.

What Nakamoto's manifesto did, however, was bring the technology to wider prominence. There was a ready pool of adherents in the immediate aftermath of the 2008 financial crisis, who understood the importance of decentralised finance and the potential to move beyond financial institutions as they have been conceived hitherto. Progress was slow but steady at first, but it picked up in the middle of the last decade with the release of books such as Alex and Don Tapscott's “Blockchain Revolution” in 2016, which was my gateway into the possibilities of the technology. That was followed by exponential growth over the past few years, with the rocketing in value of not only Bitcoin but other cryptocurrencies such as Ethereum and the range of memecoins, which made up so many of the initial coin offerings that we saw around 2018-19.

All the way through, many have predicted a crash, but the pandemic lockdown saw crypto reach unforeseen heights, whether it was furlough cheques or the lack of faith in existing investment that drove the trend. The high watermark seems to have been in November 2021, when the value of one Bitcoin reached about \$68,000. The ultimate symbol of the bubble may well have been the adverts during the American Super Bowl half-time break, with Hollywood A-listers such as Matt Damon and Larry David imploring us to buy crypto.

The Super Bowl ads were not just good at showing us what the bubble looked like; they probably go down as one of the supreme examples of what crypto's contribution to our discourse has been: its unique culture. One had comedian Larry David decrying seminal innovations throughout history—the wheel, the toilet, the light bulb—before doing the same with crypto. “Don't be like Larry,” the ad exhorted the watching millions, “Don't miss out on the next big thing.”

FOMO, or fear or missing out—there are plenty of folk in this place who have that—has certainly motivated many to get into crypto, but so have a range of other acronyms that appear on the profusion of online crypto culture forums. I hate acronyms, as many of my colleagues know, but the one that struck me the most is HFSP—have fun staying poor. It is a motto that manages to encapsulate so much: the unscrupulous nature of so much of this mainly unregulated space; the background of so many crypto investors, cut off from access to the traditional markets; and the pervading millennial jokey humour.

I come to the first very important point at which more Government attention needs to be paid to crypto. The market has been allowed to proliferate, drawing in uninitiated small-scale investors, who begin crypto trading because they see only the upside: the market that lies beyond outright scams such as Squid coin or OneCoin, in which investments of dubious provenance have been hyped and pumped, attracting the hard-earned savings of so many people.

I represent one of the poorest constituencies in the country, West Dunbartonshire. I grew up in that community in the '70s and '80s and lived through what I believe was

[*Martin Docherty-Hughes*]

its ruination by Thatcherism. It is still a resilient community, but too many feel marginalised and remote even from our neighbour, the city of Glasgow. Many of my constituents are the type of people who have been caught up in the dubious practices around crypto, and I wish more could be done about it, especially as we head into the cost of living crisis. We need to remember that it is often those who feel they have nothing to lose who are the targets of scams.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I thank my hon. Friend for bringing this extremely important debate to Westminster Hall. Given all that he is saying, does he agree that consumer protection needs to be at the heart of a regulatory framework? We should highlight some of the good examples of innovative businesses, including in Scotland, such as Zumo in north Edinburgh and Scotcoin in north Glasgow, which are creating jobs in the industry.

Martin Docherty-Hughes: I do not disagree, but I will talk later about the reality of the existing regulation and how we should lead best practice.

It is important that regulation is able to make a clear delineation of where the legitimate business exists and outright scam cannot. Despite the halving of the value of Bitcoin since its peak in November, it remains at a price much higher than it held a few years ago. Although many will argue over the inherent value of crypto, the market remains remarkably buoyant, despite all that has happened.

Many of the challenges begin with the merest definitions involved in the whole business. As I said, I hate acronyms. All the DLTs, NFTs and CBDCs are confusing enough before we even get to the question of what crypto actually is. Is it an asset? Is it a technology? Is it an idea?

Another enduring problem of crypto, encapsulated in that Larry David advert, is its novelty: the idea that we have a genuinely world-changing thing before us. That idea falls apart immediately as it comes into contact with the real world. As an asset class, it has proven to be resilient neither to inflation nor to external shocks, never mind the fact that conventional and centrally regulated currencies have continued to attract a far larger interest as a holder of value in straitened economic times.

It has been difficult to keep up with the pretence of some of the more outlandish claims about the technology's potential, as they struggle with the evidence of the past few years. International bank transfers, for example, are still cheaper, when taking into account the need to convert crypto into fiat currency. There remains a massive legitimacy problem given that the post-truth aspects of blockchain technology struggle when put beside existing institutions.

Even the idea of a decentralised and therefore more equitable structure has struggled against the demonstrable fact that so many cryptoassets remain in the hands of so-called whales—the few at the top who managed to get their timing right or to be there when the currency started. Far from being a novelty, the lived experience of the crypto bubble has reinforced the fact that there truly is nothing new under the sun. While so much of it remains a new arrangement of an old song, we hear riffs

that echo debates that are being had outwith the crypto bubble; debates that have resonance in the fields of economics, sociology or computer science.

Solutionism is the idea that there is a clever, technological answer for all of life's problems and that, somehow, human nature can be overridden with the application of the requisite solution. Crypto fits squarely in that space. One wag called it a solution in need of a problem, and a whole range of problems have been hastily set up to be solved by it. As we will see, that gets entirely in the way of the more durable and sustainable uses that it has.

Principal among those is the way in which many adherents seem to revel in the way that crypto offers the opportunity to turn the current logic of most of the internet on its head. The current logic is that we are offered free services in exchange for access to our metadata. Instead, this bold new vision goes, we should—or could—monetise these fractional shares of data, which we give back to, say, Facebook or Google. The value of popular tweets that we make could be released, as could that of those Instagram posts that have been gathering likes but no dollars. There is obviously not the same value to be released for everyone, especially a boring auld guy like me. [*Interruption.*] I am grateful for the support of my hon. Friends. There is a lot of doubt about how much that value would ever amount to, but the principal argument against this sort of future for crypto is that it adumbrates a dystopia where every single aspect of our lives that could be monetised can be and where our maximum productivity can be released.

For many, including some in the House of Commons, that is the final step on the way to a new liberal utopia, where we know the price of everything, although the cynic in me thinks that we will miss out on the value of quite a lot. Given the way social media has descended into something of a mess, catering to what seems like a mixture of our lowest common denominator and our basest desires, I am not sure that giving human beings the ability to monetise absolutely everything creates a positive incentive.

This idea makes the assumption not only that the technology is the most efficient way to solve these problems, but that it is the most efficient version of itself. In speaking to those who have worked on the technical side of the crypto industry, it is remarkable how imperfect the technology itself is, mainly because it has humans involved in its creation. To take one example, coders make errors in one out of every 10 expressions, or every three lines of codes—code that is, of course, written in a way that reflects the biases of the person writing it.

In cryptocurrencies that seek to use the technology to incorporate smart contracts, and therefore programming languages, that opens up a whole range of exploits, with systems not working as they should and money being vulnerable to theft. According to one estimate, 5% of all decentralised finance—or DeFi—funds are lost in that way, which is especially problematic when most of those funds are uninsured.

The technical issues are dwarfed by the environmental impact of crypto, which is a truly vast problem that threatens to undo all the good that it could bring. Essentially, the technology inherent in most forms of crypto—nodes competing to solve puzzles to access coins—creates the incentive to use increasingly large, expensive and energy-intensive servers. Not only does

that consume vast amounts of electricity—the equivalent of the annual energy use of Argentina, accordingly to legend—but it creates another brick in the wall of a crypto oligarchy, with the largest investors able to control far more of the servers and thus far more of whatever cryptocurrency is held there.

There are certainly workarounds, and I hope to explore some of that in my speech, but as we stand here today, looking at the landscape, it is not only another challenge that cryptocurrency advocates need to overcome but, added together with the other questions I have laid out, it becomes something more significant that needs to be addressed if they want crypto to become part of their daily lives.

Before I am accused of being too much of a negative Nancy, it is important to understand exactly where we are at the moment, because only by doing that can we better understand the potential for blockchain technology. Then we can focus better on the regulation that we need to bring in to ensure that it thrives. My biggest fear is that bringing in regulation means changing so much of the culture in the industry, and dialling down so many of the solutionist expectations of its adherents, that it may not be possible, but I am going to give it a shot.

It will be difficult to push back so much of interest that has been created in the crypto community and it is important to understand what is motivating these investors, many of whom are young or from non-traditional finance backgrounds, especially as we stare down the barrel of a cost of living crisis and the inevitable recession that will follow. Blockchain's genesis, following the 2008 financial crisis, is central to this.

The possibilities for demystifying finance, and for allowing normal investors access to resources usually only available to those able to access corporate lawyers, is certainly within reach, if the capabilities of so-called distributed autonomous organisations—or DAOs—are realised, not only as an add-on for existing companies, businesses and commercial practices, but as a way of creating a new type of entity that can avoid the pitfalls of oligopolistic capitalism.

Blockchain's birth as something of a libertarian project has obscured the incredible potential for the technology to improve government efficiency, clamp down on tax avoidance and increase accountability for those in public life. The best existing example of that can be found in the Republic of Estonia; I should probably add that I am chair of the all-party parliamentary group on Estonia. Estonia began a roll-out of blockchain in its governmental processes from the Ministry of Finance, and in doing so made all other Ministries reliant on the technology themselves and ensured that one of the central pillars of the social contract—the relationship between the taxpayer and the Government—was radically accountable.

As things stand, the necessarily slow pace of regulation means there is every incentive for individuals to stay a couple of steps ahead of regulation, exploiting loopholes and bending the rules as much as possible. They are of course supported by an industry of enablers and administrators who find ways for their clients to keep to the letter of the law while evading the spirit of it, although often not even succeeding at that. That means that Her Majesty's Revenue and Customs is always playing catch-up, with any deterrence factor it represents always being *ex post facto*.

The radical solution offered by crypto is turning that calculation on its head, as Dr Robert Herian outlines in his book, "Regulating Blockchain":

"Blockchain may offer an opportunity to recalibrate the power play between those who would engage in aggressive tax strategies and planning, and those charged with regulating or containing them by, for example, more effectively enforcing tax liabilities ahead of settlement on trust, rather than relying on bringing trustees to account post settlement."

This is the essence of blockchain for good—an idea that the all-party group, of which I am chair, very much tries to promote: both individuals and the Governments they elect should be given the ability to hold third parties accountable in liberal democracies, and hopefully beyond.

In ensuring that crypto plays the role that it could, *regtech*—regulatory technology—will come increasingly to the fore over the coming decades. Given its traditionally attributed birthdate of 2008, we should note that crypto is now entering its third decade of existence, and I like to think that that could herald a new-found maturity. If there is something that we need to take from the recent crash, it is that the wild west days of crypto are over. Too many people have been affected, and too much is now at stake. The Government now have the opportunity to rein in the crypto bros and ensure they make good on their promises to investors, creating the environment for an industry ready to realise its potential.

In that spirit, I hope to make a few suggestions of my own about I think the Government should proceed. In the spirit of there being nothing new under the sun, which I touched on earlier, it is important to start with the Government and stakeholders understanding how much law is already in place to curb the worst excesses of a supposedly unregulated market. To quote Dr Robert Herian again:

"sandbox culture as the *sine qua non* of contemporary regulatory standoffishness at the state level has ultimately spawned the problematic regulatory conundrum with which we are now faced, one in which innovations and solutions have been legitimised."

Quite simply, in pretending that they have no levers at their disposal, the spies and speculators who have proliferated all the way through our economic history have re-emerged in the guise of the crypto bros. The biggest step that the Government could take to redress the balance is to enforce the law that they already have.

Fraud is fraud—there are no two ways about it. The police are overwhelmed dealing with novel scams, but scams are what they are. Better training for those dealing with enforcement, and ensuring that they are able to work with those in industry who are ahead on best practice, is crucial. All of that cascades from an empowered and properly funded Financial Conduct Authority, which is not deliberately, as many have speculated, underfunded and under-resourced as a way of ensuring that many offenders slip through the gaps.

This situation has created many of the trust issues that crypto seeks to address: smaller-scale investors get stung by unscrupulous practices that larger entities can use an army of lawyers to protect themselves from. Although we could get into a long philosophical discussion about trust and the possibilities for post-trust, it is important to note that this aspect of crypto has not proven as transformational as many of its adherents promised.

The idea that Bitcoin and other cryptocurrencies would prove to be immune from inflation, speculation and the like has proven to be demonstrably untrue, as

[*Martin Docherty-Hughes*]

has the idea that a new form of stablecoin could come in as a forum of neutral exchange between the various types of crypto. The problems experienced, for example, by the Tether stablecoin demonstrate this. A simple solution whereby every dollar of the stablecoin is backed by a dollar of assets fell apart under the lack of accountability for the company's owners, and the markets reacted in the way that markets usually do when promises are not met. In this place, vital to the functioning of any sort of crypto culture, the deliberate lack of trust—the post-trust aspect of the crypto stablecoin—came off worse after coming into contact with the entirely rational human instinct to need the sort of trust that has hitherto been provided only by institutions and, in this context, central banks.

My second proposal for regulation is therefore that the Government not only bring forward the regulation expected in the Financial Services and Markets Bill, but do their utmost to ensure that debates around that exceptionally important crypto development are able to be had in the House—and not only when the Bill is in Committee. The Bank of England published feedback on central bank digital currency proposals in June last year. It stated five core principles, the first of which is the most important:

“Financial inclusion should be a prominent consideration in the design of any CBDC.”

Paying heed to that core principle means the scales being tipped back away from the crypto whales, who are increasingly hoarding the new assets, in favour of the average investor, realising the potential that gave so many, previously excluded from the system, some hope that they could be part of it.

Similarly, the opportunities for Government to enable financial inclusion through the development of proposals for decentralised autonomous organisations are vital to ensuring that the benefits of access to stable digital fiat currencies can be extended to the broader commercial sector. I hope that company and contract law can keep pace with such developments in an inclusionary way. At the heart of that is, obviously, the Financial Services and Markets Bill. I hope the Minister will allow time in his remarks to elaborate on those aspects that may not come to the fore in the limited time that will be allocated to the new occupant of No. 11.

I have presented two solid, legalistic opportunities for the Government to regulate crypto, but I should also like briefly to touch on the opportunities that exist for the environmental impacts of crypto to be negated, with the creation of carbon-neutral data centres. It will come as no surprise to anyone who has paid attention to the renewable energy sector that the nation of Scotland is ultimately blessed with resources that should see us well placed to make the transition not only to a carbon-neutral future but—and forgive me for saying it—an independent, sovereign one.

However, thanks to the work of fellow SNP member Stuart Evers, we can see that Scotland also has the opportunity to become a hub for carbon-neutral data centres, which make use of three qualities that Scotland has in abundance: not only the technical expertise to provide new network security in large data centres, but the physical security offered by our natural landscape and the energy security provided by ready access to

what are called dual renewable resources, whereby a primary green energy source is always backed by another green source should it fail. That is best accomplished by a combination of wind and tidal energy. Thanks to Stuart's preliminary work, we can see that Scotland hosts a plethora of potential locations for such centres, primarily along our west coast and in the Orcadian archipelago. That is certainly not crypto-specific, but it is an important point to make when we think about the ways in which the benefits of a well-regulated and well-run crypto industry could be felt across these islands.

I appreciate that I have taken up quite a lot of the time allocated for the debate. I have set out three solid areas where this Government could legislate to better realise the promise of the crypto industry, but my primary objective was to ensure that there was, for the first time, a forum for debate on the many areas for regulation of the sector. I hope that I have provided a suitable introduction to the challenges and opportunities that exist in an increasingly fast-paced industry. I look forward therefore not only to the Minister's remarks but to what hon. Members have to say about the potential they see in making crypto work better for everybody.

Christina Rees (in the Chair): I intend to start the winding-up speeches at about 10.25 am, so if Back Benchers are kind to each other, there is no need to put a time limit on speeches.

10.4 am

Alexander Stafford (Rother Valley) (Con): I thank the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) for bringing this important debate to the House, and for securing the first ever debate on crypto in the House of Commons—it is a pleasure to speak in it.

Before I start, I thank the Economic Secretary to the Treasury as well. He and I served on the Business, Energy and Industrial Strategy Committee, and he has done an amazing job over the last two months as Minister. I hope that, in the ongoing reshuffle, he is rewarded for his valiant efforts over the summer holidays.

As mentioned, today's debate comes at a time of great change, both in Westminster and in finance. The latest game-changing financial assets continue their exponential growth. Crypto—be it NFTs, CBDCs, stablecoins, currencies like Bitcoin or Tether, or the blockchain technology that underpins it all—represents a massive opportunity for British businesses and British investors, and we cannot simply sit back as the next financial revolution comes our way.

However, there is an issue: crypto is, by its very nature, a decentralised platform, with no ties to any particular economy or region. Britain is already world renowned as the beating heart of finance, banking and markets, so it is only natural for crypto to similarly look to Britain as its home. Equally, Britain should welcome the investment and opportunities of crypto. One of the major advantages of welcoming this decentralised platform is the benefits it will bring to the whole UK—not just London and the south-east. Cryptocurrencies can be bought, sold and mined from anywhere with an internet connection—something that the last Government worked so hard to roll out across the UK, and which our new Prime Minister reaffirmed in her commitment to us all yesterday.

Crypto really is an opportunity for everyone, from Truro to Thurston and Rother Valley, and all the way up to Scotland and Northern Ireland. If we first fix the problems with education and regulation, I believe we will have a thriving industry here in the UK.

Dr Cameron: The hon. Gentleman is making an excellent speech. However, does he agree that there are concerns regarding the slowness to register companies in the UK, and issues with registration linked with the FCA at the current time, which are seeing some companies who want to be based in the UK now moving to Switzerland, France and other jurisdictions?

Alexander Stafford: I thank the hon. Member for her intervention and for all the hard work she is doing on this subject. She is right: we need to get these business regulated more quickly. We cannot rest on our laurels; we need to get things going, although that applies to all business, whether crypto or not. The UK needs to encourage more businesses to establish themselves more quickly, and we should have the regulations in place to make the UK accessible.

This new Government must look at increasing the level of public education around cryptocurrencies. The most common crypto-related Google search query is, “What is cryptocurrency?” That is nearly five times more common than any other. The public—from the schoolyard to the retirement home—need to be educated about the risks and rewards of this new financial asset. As with all new technology or financial tools, there clearly are risks. According to Action Fraud, nearly £150 million was scammed and stolen through crypto-related fraud last year. Educating people is the only way to ensure sensible decisions.

That being said, there are significant rewards to be gained from crypto, including instant free transactions, which will help businesses deal internationally. Meanwhile Britons will be able to transact in new ways that were previously impossible: they will be able to pay their energy bills per unit used, have their hourly wages paid on the hour or have increased privacy when paying for goods and services. Britons must be shown that the benefits are there if they approach crypto sensibly, but they must also know the risks.

That being said, given that crypto ownership is already on the rise, we cannot rely on education alone. The estimates of how many Britons own some form of cryptoassets range from 5% up to 20%, with that number clearly increasing year on year. As well as educating the public, we must rethink the regulator’s approach to cryptocurrencies. As I mentioned, there are serious risks involved in investing in crypto, even with the so-called stablecoins, as we saw with the rapid decline of Terra earlier this year. However, the current system serves only to suppress British businesses, without offering enough protection to customers and consumers.

Martin Docherty-Hughes: Does the hon. Gentleman not accept, as I said, that fraud is fraud, and that if fraud is being done, it needs to be dealt with by the appropriate authorities? It is up to the Government to make sure they actually clamp down through existing legislation.

Alexander Stafford: I agree that fraud is fraud, and that we must clamp down on it. We already have some regulation, but we are also in a new world. We need better and tighter regulation to deal with the issues that are coming forward. We should make sure that this Government pursue every single penny of fraud so that people get their money back.

Since the introduction of the FCA’s list of approved crypto firms, over 80% of applicants to join the list have not been accepted, and those firms were forced to shut down or move abroad. The FCA has worked quickly and effectively to install some form of regulation to ensure that the most important anti-money laundering and counter-terrorist financing checks are in place. The issue is that our system, and indeed our economy, has not yet caught up. The very nature of cryptocurrency necessitates that it can be securely used by anyone, anywhere, making it hard to successfully pass “know your customer” checks. Instead of relying on antiquated classifications, the Government must create new regulations for this ever-growing method of transactions, to nurture British businesses while protecting consumers and the public. The final proof of the ineffectiveness of current regulation and the need for action now is that 250 businesses are not on the approved crypto business list but still carry on crypto-related activities, whereas the list of approved, regulated firms has just 37 entities.

We have talked about the regulation of cryptocurrency, but I want to touch on one last point: the energy consumption. We need to look at not just financial regulations but, potentially, energy usage regulations. To take just one of the most popular cryptocurrencies, Bitcoin, according to the Bitcoin energy consumption index, the total Bitcoin carbon footprint last year was 71.73 million tonnes of CO₂—the same as Greece. Bitcoin also uses the same amount of electrical energy as Norway. We are in an energy crisis across the world, and we must look at whether that is a good use of energy. If crypto is using so much energy, should there be regulation to ensure that it is mined or used using renewable sources? As we saw last year, China uses coal-fired power stations to help its crypto industry. We need to put in place regulations to make sure that our crypto is highly regulated not only financially, but so that it operates in a green and efficient way. There is no point going to a low-carbon future if we are undermining our own growth by having this energy-intensive industry.

To conclude, Britain cannot afford to ignore the potential benefits that cryptocurrency presents, but we must first level up regulation and education to ensure that we are properly prepared. We must protect consumers, investors and society but also unlock the economic benefits for the whole UK.

10.12 am

Jim Shannon (Strangford) (DUP): It is a pleasure to follow the hon. Member for Rother Valley (Alexander Stafford), and I thank him for his contribution. I particularly thank the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) for raising this issue. He put forward a detailed but succinct presentation, and his knowledge of the subject is impressive. I thank him for sharing it in such a way that our understanding inside and outside the Chamber is a lot better.

As everyone will know, I am not great with technology. To be honest, I like to be able to feel my money in my inside pocket and to know what is in my wallet and in

[Jim Shannon]

the bank, so crypto is not something that I will ever venture into, but there are a great many who do. I am aware that this is an evolving topic and has a lot of popularity, especially among young people, so it is great to be here to discuss how we can help people go about these things in the right way and, more importantly, safely and with the knowledge of what the gamble can mean—both success and failure.

It has been estimated that 2.6 million people across the UK use cryptocurrency, with around 100,000 people in Northern Ireland using it as a form of finance. Interestingly, from my studies, it seems that outside of London, Northern Irish people buy the most Bitcoin, with 15% of people admitting to purchasing it—I am one of the 85% who do not. The fact that 15% do tells me, first, that there is a great interest in it and, secondly, that many people have faith in it, and they wish to be reassured in that.

Alexander Stafford: Why does the hon. Gentleman believe that Northern Irish people like cryptocurrency more than Scottish, English and Welsh people do?

Jim Shannon: That is a question I cannot answer. I think that there are those who are prepared to take a gamble and those who are not. Perhaps people in Northern Ireland like the element of uncertainty, or perhaps investors like the certainty of the value of their investment. I will give an example of that, because it illustrates the situation very well.

Some 38% of people in Northern Ireland say that they have thought about purchasing cryptocurrency but have not yet done so. What some forget is that Bitcoin is a form of finance. Some bars and restaurants across the UK accept it as a form of payment, so it must be regulated. What I am seeking to do today, as someone who does not have any real knowledge of how the system works, and what I always look to do, is to consider how we can do things better and how we can regulate crypto and make it safe.

We have heard many stories of how accessible and worthwhile Bitcoin and cryptocurrency can be. I know the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) has a great interest and knowledge in this subject matter. One of my constituents, who is only 28, invested £1,000 in Bitcoin when he was 23. The value of that today is £40,000. What an investment that young fella made! It was probably not a big amount for him, but at the same time he took the gamble. Knowing when to stop is one thing, but continuing the gamble and risk will not always work out well for everyone. People are making extortionate amounts, but it is important that the dangers and risks of addiction are highlighted. Those are some of the concerns I have on safety, and that is where regulation from the Government and the Minister would be most noticed.

Many have heard the story—I wonder how it could ever have happened—that in 2013 a British man accidentally threw away a laptop hard drive that contained what would be worth £280 million today, so cryptocurrency can be incredibly volatile and has been described as overhyped. The Bank of England has strongly highlighted the consumer risks of cryptocurrency and has tended to downplay the threat they may cause. In addition, the FCA has regulated some cryptocurrencies, which tend to function like shares or investments.

It is essential that cryptocurrency assets follow anti-money laundering guidelines. However, there is a link between cryptocurrencies and organised crime. Not every investor is involved in that, but clearly there is a link. In 2021, the National Crime Agency seized £27 million in cryptocurrency assets. The lack of regular oversight of cryptocurrency makes it attractive for criminals seeking to partake in illicit financial crime, not only in the UK, but all over the world. In addition, the largest seizure of that kind in the UK was undertaken by the Met police, when they seized £180 million-worth of cryptocurrency linked to international money laundering in London. That underlines the importance of regulation, and being able to follow the money and catch illegal money.

Although crypto can seem appealing to many, and a hobby for some to build their assets, the potential dangers must be brought to light. Government and FCA regulation is crucial to ensure that people are aware of what they could lose. There is always a risk with crypto, but it is about ensuring that people know the risks. The cryptocurrency market crashed twice—we, and investors, must be reminded of that—in 2018 and 2020, losing large sums of money for hundreds of people.

The Government have some regulations in place to address cryptoassets, but this debate is about doing that better. The hon. Member for West Dunbartonshire put that forward, as others have, in a concise and helpful way. I look to the Minister to share the Government's thoughts about how that can happen. Finance is an essential component of our economy and one that needs rules, regulations and laws in place. We must get this right and protect people from economic crime, which is all too prevalent.

I am aware that this issue will be referenced in the upcoming Financial Services and Markets Bill, and maybe the regulations could be strengthened to offer us some reassurance. We must look UK-wide when addressing the issue. It is not just an England issue, but a Scotland, Wales and Northern Ireland issue; it is for all of us together. I urge the FCA and Her Majesty's Treasury to engage with local Administrations in Scotland, Wales and Northern Ireland to ensure the regulations are knitted together administratively in all regions, and to ascertain what more the House and the Minister can do to regulate the use of cryptoassets and currencies. Again, I thank the hon. Member for West Dunbartonshire for securing this important debate. I very much look forward to what the Minister has to say.

10.19 am

Peter Grant (Glenrothes) (SNP): Thank you, Ms Rees, on behalf of all of us for saving this morning's debate. It would have been a great pity if all the work that some hon. Members had put into their speeches had gone to waste. I thank my good and hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) for leading the debate in such a well-informed way. From conversations I have had with him, I know that although he definitely sees the huge potential benefits of cryptocurrency, he is also all too well aware of the potential pitfalls.

My hon. Friend gave us a helpful history of cryptocurrency and, importantly, reminded us that it has a particular culture that some of us might be interested in. We have to recognise that there may be

certain attitudes to risk in that culture; I think he used the phrase “have fun staying poor”. If people involved in those games—and they are games for too many people—are happy to stay poor or run the risk of being poor, that is all very well. However, many people are sucked in without understanding the risk that they might suffer significant financial losses.

My hon. Friend repeatedly referred to the crypto bubble, which is an accurate description. The one thing all bubbles have in common is that they burst; we have to ensure that regulations are brought in quickly enough to stop it being a bubble before it bursts. He also pointed to flaws in the way the Financial Conduct Authority operates, on which I agree with him wholeheartedly. He referred to the collapse of Terra, whose total value went from something like \$45 billion to nil in approximately 72 hours. That is how quickly things can go either well or very badly in the world of crypto.

The hon. Member for Rother Valley (Alexander Stafford) made an interesting speech. He was correct in describing Britain as the beating heart of financial services, or words to that effect; financial services are a massive part of the economy of London and the whole United Kingdom. However, I would caution him that we must recognise the fact that, although some people are in denial, Britain—London in particular—is gaining a reputation as one of the best places in the world to commit financial services fraud. If we continue to deny that and think of it as a problem that will go away, the entire future of London as a financial services centre of excellence could be in doubt.

Towards the end of his speech, the hon. Member for Rother Valley made a strange comment in response to the reminders of my hon. Friend the Member for West Dunbartonshire about the huge energy input required for crypto to operate. The hon. Gentleman said that there is no point going for a low-carbon future if that undermines our economic growth. I gently point out to him that there is no future that is not low carbon. If we do not achieve a low-carbon future, we have no future whatsoever.

The hon. Member for Strangford (Jim Shannon), who I hope I can refer to as a friend, admitted to being one of the 85% who do not own cryptocurrency. It is nice to see that he is still very much in the majority with regard to some things in Northern Ireland, although he might find that that becomes a minority at some time—who knows! We could have an interesting philosophical discussion over his wee story about the young man who made so much money on crypto, increasing £1,000 to £40,000. That is slightly more modest than others who have made gains on crypto. Where did that £39,000 come from? The world did not become £39,000 richer. The amount of money in the world did not increase by that amount during that time, so somebody somewhere was £39,000 worse off, or a lot of people were a few pounds worse off. Every time somebody makes money on a speculative investment, somebody somewhere else loses it. We have to be prepared to face up to that.

I hope the Government will take the same approach I do: clearly, cryptoassets and currencies are here to stay. We cannot uninvent them. The nature of the thing is that even if we wanted to, it would be practically impossible to legislate to keep them out of the United Kingdom all together. People we are responsible for will continue to get involved in crypto. They will invest in it,

play the game and speculate on it; whatever terminology we use, they are going to put their money into crypto. We have a responsibility to ensure that when they do, they are not taking risks they do not understand or running the risk of losing money they did not realise they were liable to lose. We certainly do not want to see people losing money they cannot afford to lose.

The challenge is to maximise the very obvious potential benefits while, at the same time, minimising the risks to individuals, businesses and potentially—let’s not kid ourselves—to entire economies. This thing will get big enough that if it goes wrong, it could bring down entire economies. If it goes well, clearly it would have massive benefits for us all.

Consumer protection must be at the heart of the Government’s regulatory approach. I find the implication that consumer protection has been deprioritised in the Financial Services and Markets Bill quite concerning; it will not be one of the things to which the regulators will be instructed to give high priority. I urge the Government to ignore the siren voices of some on their own Benches who call for a completely unregulated free-for-all, which would be the way to absolute disaster for the many. There would undoubtedly be untold riches for the few, but it would be a highly irresponsible approach.

Dr Cameron: I thank my hon. Friend so much for giving way and for the important points he is making. I wholeheartedly agree that consumer protection must be at the forefront of the work that is taken forward. Does he agree that it is important that as many people who are interested in this sector as possible get in touch with the crypto and digital assets all-party parliamentary group, which is currently engaged in an inquiry into the sector, in order to consider regulation, recommendations and consumer protection, as well as the opportunities for growth?

Peter Grant: I am quite happy to take that unashamed plug for the APPG. Given that it has been mentioned and will be recorded in *Hansard*, I have no doubt that those who are interested in its work will take up my hon. Friend’s offer.

Crypto has all the characteristics of all the great scams in history; indeed, it has most of them on a scale that very few of those other scams had. It has the possibility to become and to facilitate the biggest scam in human history, if we let it. We need to co-operate with other jurisdictions to regulate in such a way that means that the sector continues to grow and deliver benefits, but does not expose, as I have said, either individuals or potentially whole economies to unacceptable risks.

Although I welcome the Government’s steps on regulation, which I hope will be only the first steps on a much longer journey, I am concerned that what has been offered to date has been a patchy and piecemeal approach to regulation, compared to the far more comprehensive proposals in, for example, the EU’s draft regulation. I would not expect the Government to admit it, but I worry that this is another example of settling for second best just to prove that we are different from the European Union.

We should always remind ourselves that even technological advances that end up having massive benefits for humanity can have their downside. I know a lot of

[Peter Grant]

people, including a lot of Members of Parliament, who are only alive today because of radiology and radiotherapy, and that would not have happened without the genius and greatness of Marie Curie, who is one of the greatest human beings ever to have lived. Marie Curie was killed by her own discovery. Indeed, almost all the people who were the first to receive the benefits of the “miracle” radium pills that followed on from her discovery died a horrible death from cancer.

The message is: let us not turn our backs on new technologies or be scared of innovation, but seize the opportunities that such technologies offer. But just as developments in scientific and medical technology can carry risks for humanity as well as huge benefits, so can advances in financial technologies. The technological advances that we are seeing just now are happening at a pace that we could not have imagined even four or five years ago. That means that regulation must be flexible and able to adapt very quickly to identify where the potential risks are and to close them down.

I would like to say that we have a Financial Conduct Authority that I am happy to trust with taking that message on board, but in my heart of hearts, as I have said both here and in the main Chamber often enough, the Financial Conduct Authority as it stands is not fit for purpose. It needs to be given a significantly stronger remit and significantly greater resources. There is no doubt that the FCA is the correct place for regulation to reside, but I ask the Minister not simply to talk about what is in the Financial Services and Markets Bill just now, but to give us an indication of how quickly the gaps in regulation that will still exist after the Bill has been passed will be filled. It is not only people who are enthusiastic about cryptocurrency who are watching this debate to see when regulation is going to become adequate; there are also people watching this debate who are looking for an opportunity to make vast sums of money at the expense of our constituents, if we allow them to do so.

10.29 am

Abena Oppong-Asare (Erith and Thamesmead) (Lab): It is a pleasure to serve under your chairship, Ms Rees.

I congratulate the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) on securing this important debate and on setting out in detail many important issues, particularly a number of matters that he raised around fraud and things that the Government can do. He has significant expertise in this area, as is evident from what he has presented in today's debate and the fact that he chairs the all-party parliamentary group on blockchain. I thank other hon. Members who have taken part in the debate, particularly the hon. Members for Rother Valley (Alexander Stafford) and for Strangford (Jim Shannon), who raised a number of issues, such as fraud. I also thank those who have made interventions, raising consumer protection issues.

I welcome the opportunity to debate the important issue of cryptocurrencies and cryptoassets, and the Government's regulatory approach to the industry. This debate is well overdue. In recent years, crypto has entered the mainstream, with an estimated 2.3 million people in the UK owning cryptoassets and the number

of companies trading in crypto likely to grow further over the coming years, so this is a good moment to reflect on both the benefits and risks of cryptoassets and related technologies.

Many early advocates of crypto believed that it could lead to the end of central banking, the replacement of the dollar and fiat money by Bitcoin—or digital gold—and an upending of the regulation of markets and of the potential surveillance of consumers. However, crypto supporters have so far been disappointed. Like many utopian projects, this had collided with the realities of geopolitics, corporate power and illicit finance. I echo the comments made by the hon. Member for West Dunbartonshire. With reports that Russian oligarchs may have converted their assets into cryptocurrencies to avoid sanctions, many are rightly questioning whether crypto has a future at all.

In recent months, we have seen a huge crash in the value of many of the leading cryptoassets. During the recent period of crypto market turmoil, Bitcoin, Ethereum and other coins have collapsed, putting millions of UK consumers' savings at risk. Research published by crypto trading platform Gemini found that the number of people investing in crypto has rocketed in the last 12 months, and as many as one in five people in the UK has lost money in the crypto crash. Despite this, the Government are wilfully using out-of-date data, which estimates that only 3.9% to 4.4% of British adults own crypto. I am not sure whether the Minister has more up-to-date stats. Not only that, but the Government have so far failed to properly regulate the crypto sector and protect consumers. They also have no idea how many people have been affected by the current crypto crisis, so there is clearly a desperate need for a clear strategy on the regulation of cryptoassets and blockchain technology.

Labour believes that we do not need to choose between a total crackdown on ownership of cryptocurrencies and the wild west approach advocated by some. Properly regulated blockchain technology has the potential to transform our economy and the financial services sector. Many innovative companies are embracing different forms of blockchain technology to improve transparency in order to finance and create highly skilled, high-productivity jobs across the UK. This has the potential to reduce inequalities, with £69.6 million having been invested in financial technology companies based outside London and the south-east in 2021 alone, driving efficiency in all sorts of industries.

I am afraid, however, that so far the Government have risked undermining the reputation of the sector. In the absence of a comprehensive strategy regime, the UK has become a centre for illicit crypto activity. According to research by Chainalysis, which is a global leader in blockchain research, cryptocurrency-based crime, such as terrorist financing, money laundering, fraud and scams, hit a new all-time high in 2021, with illicit activity in the UK estimated to be worth more than £500 million; that is really alarming. Despite the pressure from Labour and the financial sector, the Treasury has yet to acknowledge the scale of the threat, and the FCA has identified more than 230 unregistered cryptoasset firms operating in the UK right now. Many companies have not even applied for anti-money laundering or “know your customer” checks, yet they face little or no sanction from the Government. That has allowed some

firms to exploit anonymity-enhancing technology to protect the identity of criminals and individuals linked to hostile states such as Russia.

As several Members have mentioned, there is a rise in crypto-related scams in the UK, which is very concerning, and reports of digital asset fraud were up 50% in 2021 compared with the previous year. I suspect there is even more such fraud now.

Dr Cameron: On the point that the shadow Minister is making, it is important that the Minister addresses the issue of potential sanctions evasion via digital currency. Also, I pay tribute to the fact that Ukraine is now one of the countries that uses most crypto, and during this horrendous wartime experience it has been able to support its economy and its troops—buying military supplies and supporting those on the frontline—through crypto. There is a mixed picture, but one that has to be addressed.

Abena Oppong-Asare: I support the hon. Member's comments about Ukraine. I am not saying that using crypto should be scrapped, but the Government need to take more action to address the fact that there are issues related to the growth in fraud and in activity that is damaging to the UK. Too often, the Government have stood by and let firms responsible for these scams trade with impunity. They have continued to delay the introduction of stronger rules on the advertisement and marketing of cryptocurrency products. A survey by investment platform AJ Bell found that many crypto investors are simply unaware of the high-risk nature of their investments.

Martin Docherty-Hughes: I hope the hon. Lady agrees that, as I said in my speech, we have existing legislation that we should be pushing to the fore while we wait on new regulation. I take the point made by my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) about Ukraine and cryptocurrency in that state, but there is clearly a high rate of scamming in relation to the raising of cryptocurrency for the Ukrainian Government and their campaign against the Russian Federation. Sometimes, people might not be giving their money to Ukraine; they might be giving it to some scammer in North Korea, or in the Russian Federation, who says they are raising money for Ukraine.

Abena Oppong-Asare: The hon. Member makes an important point—he has expertise in the area—and there needs to be some sort of action from the Government to ensure that there is an overall strategy to address the issue. Some companies are doing good work, but they are not aware of the high risks, which links with what the hon. Gentleman has just said about the high rate of scamming. The high rate of scamming is worrying, particularly as many investors have sunk a huge proportion of their savings into crypto. Half do not have an individual savings account while four in 10 do not even have a pension. The serious collapse in crypto risks not only wiping out the life savings of many people, but significantly disabling the UK's financial market. I am sure none of us wants that to happen.

The Government responded to their consultation on the regulatory approach to cryptoassets, stablecoins and distributed ledger technology in April, and there are measures to bring stablecoins into the regulatory

perimeter in the upcoming Financial Services and Markets Bill. We will of course scrutinise the Bill carefully and look closely at what progress is being made through Parliament, but I have a number of questions to ask the Minister, particularly in relation to this debate.

Why have the Government introduced legislation relating only to stablecoins, and not a comprehensive regime for crypto more broadly? It is simply not good enough that they will not even consult on such a regime until later this year, as the stats show that urgent action is needed. If we do not have a comprehensive framework to address the risks and opportunities presented by cryptoassets, we risk falling behind our global competitors in the crypto space, including the US and the EU, which has just agreed a comprehensive regime for regulating the cryptocurrency industry.

How will the Government crack down on misleading advertising promotions, beyond regulated stablecoins? Members from across the House have discussed fraud today, and the Government need to take responsible action on it. I do not want consumers to be left to deal with it and take responsibility for it. Does the Minister accept that the Government have failed to address money laundering and fraud in this sector, and have allowed criminals to get rich at the public's expense?

How will the Government ensure that enforcement agencies have the powers they need to crack down on digitally savvy criminals operating through electronic money institutions and cryptoasset firms? The industry is fast-moving at the moment, so does the Minister believe that there is the necessary capability and expertise in the Financial Conduct Authority and other agencies to deal with crypto? Labour is calling for greater powers for regulators and enforcement agencies to crack down on anonymity-enhancing technology, misleading advertising and the criminals operating in the crypto space.

The Government have ignored these serious and important issues for far too long, and the former Chancellor, the right hon. Member for Richmond (Yorks) (Rishi Sunak), seemed more interested in his NFT gimmick than a proper regulatory strategy. We still do not know the cost of that project, despite responses to parliamentary questions confirming that the Treasury holds that information. Perhaps the Minister can shed some light today on what that information is. The lack of transparency on how much taxpayers' money has been thrown down the drain on that gimmick is frankly shocking, but hardly surprising from this Government.

A Labour Government would be serious about attracting fintech companies to the UK and safely harnessing the progressive potential of blockchain technology. To do that properly, we need thorough and thoughtful regulation of the sector, and I look forward to the Minister setting out how the Government intend to do that.

10.43 am

The Economic Secretary to the Treasury (Richard Fuller): It is a great pleasure to serve under your chairmanship, Ms Rees. I join all hon. Members who have spoken in congratulating the hon. Member for West Dunbartonshire (Martin Docherty-Hughes), first, on securing the first parliamentary debate on this topic and, secondly, on his tour de force speech covering the opportunities and risks of crypto technology. I expect that this will be the first of many debates on the subject.

[Richard Fuller]

During today's debate, hon. Members have rightly focused largely on the risks of the new technology, concerns about consumer protection and areas for regulatory clarity, but I suggest that we all share the hope that, through innovation and creating the right conditions, we can achieve opportunities for the crypto industry in the UK to contribute largely to the growth of the wider economy.

I hope to cover a number of points that the hon. Member made in his opening speech. I will start with three of them: financial inclusion issues, particularly with regard to central bank digital currencies; requirements for carbon neutral data centres; and enforcing the existing law against fraud. I hope to cover those points in my speech, but if I do not, I look forward to engaging with him, the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) and her APPG in the future.

Throughout the debate we have spoken about a wide range of related but distinct terms, and I would like to take a moment to separate some of them. First, distributed ledger technology is exactly what it says: it is a form of technology that allows ledgers to be kept up to date despite being in multiple places or distributed. Secondly, blockchain is a type of DLT that uses encryption, adding security and new functionalities. That is the technology that underpins crypto, although it also facilitates innovation in many other sectors, such as trade finance. Thirdly, cryptoassets are privately issued digital assets that rely on distributed ledger technology such as blockchain for their workings and security. So-called cryptocurrencies are the most well-known cryptoassets today. I will use the phrase "crypto technologies" to refer to cryptoassets and the blockchain that underpins them in the round. Stablecoins are cryptocurrencies that seek to maintain a stable price by pegging to a real commodity or a currency, but there are other forms of stablecoins that have their supply regulated by algorithm. Again, there are two separate terms under that overall heading.

I and other hon. Members have mentioned the central bank digital currency, which is a form of digital money issued by central banks. CBDCs are structurally different from cryptocurrencies, which are almost always decentralised whereas CBDCs are controlled by a central bank. The Government have already committed to issuing a public consultation on this topic, jointly with the Bank of England, later this year.

A number of hon. Members pointed to the issue of financial inclusion. There has been no decision on the issuance or design features of a CBDC, or indeed whether we will do one. In those decisions, considerations about financial inclusion and accessibility of central bank digital currencies will be at the heart of any technical design decision. I hope that addresses one of the concerns raised by hon. Members.

In all its forms, we are still on the cusp of the technology breaking through, and its uses are likely to evolve dramatically in financial services. As hon. Members have said, thousands of cryptoassets, including Bitcoin, have been issued, and together these have a total market capitalisation of around \$1 trillion today.

Martin Docherty-Hughes: There is so much value. Does the Minister recognise that this technology is not new? It has been around for nearly three decades.

Richard Fuller: Absolutely. One of the issues, which the hon. Gentleman raised in his speech, is how pervasive the technology has become since 2008. We are still looking at the different applications and different levels of the technology, as I outlined at the start of my speech, both within financial services and more broadly within Government. He mentioned the issues in Estonia and in the economy as a whole. The technology has been around for a while, but it has many tentacles that have spread in many different ways through countries and international economies.

The hon. Gentleman will also know that in addition to that growth, as he and other hon. Members have mentioned, there has been substantial volatility. Notwithstanding those market fluctuations, the potential for DLT technology underpinning cryptoassets remains powerful in many ways. Across the world, NFTs are entering common parlance. The hon. Member for Erith and Thamesmead (Abena Oppong-Asare) talked about one that could have a revolutionary impact on the creative industries.

Blockchain technology is being used in healthcare to store patients' medical records securely; in housing to record property rights; and in supply chains to track the path and safety of food throughout the farm-to-table journey. In Government, we are developing opportunities here in the UK to use distributed ledger technology for customs and international trade, to ease the import of goods. DLT has the potential to change how our financial markets work, too. That is why new have started work to understand how it might be applied to a UK sovereign debt instrument.

Even the fundamental architecture of the internet may undergo changes as Web3 becomes more popular, with blockchain offering the potential to drive a more decentralised, user-owned ecosystem. The innovation powered by DLT could spill across society, well beyond the scope of today's debate, which rightly focuses on financial services.

As crypto technologies grow in significance, the UK Government are seeking ways to achieve global competitive advantage for the United Kingdom. We want to become the country of choice for those looking to create, innovate and build in the crypto space. We are already the leading European fintech hub, second only to the US worldwide. By making this country a hospitable place for crypto technologies, we can attract investment, generate new jobs, benefit from tax revenues, create a wave of groundbreaking new products and services, and bridge the current position of UK financial services into a new era.

Dr Cameron: I thank the Minister for his important points about taking things forward in a progressive way. Given the current uncertainty in the Government sphere, while the UK is still committed to making the UK the global home of crypto, what progress has been made in establishing the cryptoasset engagement group that was announced in April, to bring on board leaders from the sector and engage positively?

Richard Fuller: The hon. Lady is right to mention the importance of bringing people together. I will refer to that. May I also take the opportunity to re-emphasise the work that her APPG is currently doing on regulation for consumer protection in this space? There are multiple participants and interests, so I echo her point.

At the forefront of this is something that we have talked a lot about when it comes to the culture. We have highly driven entrepreneurs with great skills. Having their teams in the UK enables us to build the wealth and experience that can power further discoveries and growth in a constructive way.

As is always the case with innovation, there are risks that need to be managed. For one, cryptoassets can be used to hide ill-gotten gains through corruption or organised crime. Since January 2020, cryptoasset firms operating in the UK have been subject to the money laundering regulations. We recently brought forward legislation to implement the financial action taskforce travel rule for the transfer of cryptoassets.

Cryptoasset firms must conduct customer due diligence checks, just as banks do, including sanctions screenings. Through the Economic Crime (Transparency and Enforcement) Bill, we will give law enforcement new powers to seize and recover cryptoassets. As would be expected of a global financial centre, we will put a very robust system in place, and will never compromise on our high standards. That was the key point made by the SNP spokesman, the hon. Member for Glenrothes (Peter Grant).

Separately, there are legitimate concerns, highlighted by the hon. Member for West Dunbartonshire and echoed by my hon. Friend the Member for Rother Valley (Alexander Stafford), about the energy intensiveness in the process of creating some types of cryptoassets. As a global centre for green finance, we are already looking closely at energy usage associated with certain crypto technologies, and I will take away the point the hon. Member for West Dunbartonshire made about carbon neutral data centres regulation.

We have also said that we will seek to protect consumers by legislating to bring certain cryptoassets into the scope of financial promotions regulation, because it is essential that investors understand the risks they are taking and that there is more transparency from firms. I know that some firms are concerned about the way in which this regime might be implemented, to the possible detriment of UK firms. We are looking very seriously at that issue.

I say in reply to the hon. Member for Erith and Thamesmead that the UK's approach on a lot to do with financial services is to have an agile system that relies robustly on the regulators to write their rules as things are brought within the regulatory perimeter. That underpins our approach. It underpins the work in the new Financial Services and Markets Bill, and that is distinct from the perhaps more legalistic approach of the European Union trying to define in statute right from the start what the regulations should be. In the United Kingdom we trust regulators to work at speed and effectively to write the rule books that are right at that point in time.

Abena Oppong-Asare: I thank the Minister for his answers. He said that it is the regulator's responsibility to address this, but the Government also need to take responsibility. I would be grateful if the Minister could let us know whether the Government will produce a comprehensive framework. Can he also tell us what work the Government have done to check that the FCA has the capacity and expertise to look into this?

Richard Fuller: I am grateful to the hon. Lady for emphasising those additional points. She will know that the Bill that we are discussing in the House later today will bring stablecoin within the regulatory perimeter. There are two other aspects of cryptoassets that I think she is referring to. One is central bank digital currencies, on which there will be a consultation towards the latter part of this year. The other is the broader aspect of cryptoassets, which has been part of the discussion today. That will be consulted on, both by Her Majesty's Treasury and the FCA, in the months ahead.

The hon. Lady's second point was about the resources available, and the skills in the FCA. I have full confidence in both of those. The FCA has had increasing resources; I meet its head regularly and discuss these matters with them, so I am confident that the resources and the skills are in place.

Abena Oppong-Asare: Will the hon. Gentleman give way?

Richard Fuller: I am conscious of time, and I have a few more things to say. I have mentioned a few of the known risks that we face, and they present real challenges. We will, however, be better placed to shape the sector and lead it to social and economic good if we actively engage with it from the outset, and that is what the Government are doing. The role of the Government is to be on the front foot to achieve a global advantage. To do that, we in Government must provide a solid framework, so that decision makers can take decisions in a risky environment, and we are bringing forward a number of reforms, through carefully tailored regulation. Informed by the sector, and after a consultation that is open to anyone, we will create a dynamic regulatory landscape; that is how we will tackle issues ranging from fraud to volatility and environmental considerations.

The Government are legislating to bring certain stablecoins, where they are used for payment, within the regulatory perimeter by expanding the payments and e-money regulatory frameworks. Increased competition between stablecoins and existing UK payment systems could lead to lower costs and improved services in the long run. Through the Financial Services and Markets Bill, we will build into our regulatory framework an ability to harness those benefits of stablecoins. At the same time, we will protect consumers by ensuring that the face value of stablecoins is backed by the underlying funds, and that consumer funds will be safeguarded if a stablecoin provider becomes insolvent.

In the first instance, we wanted to focus on areas of immediate potential and concern, but the market has changed sufficiently for us to look at regulating a broader set of cryptoassets. Earlier this year, we committed to consulting on this broader regulation, including the trading of unbacked cryptoassets such as Bitcoin. We will continue dynamic engagement with industry; for example, the FCA's recent CryptoSprints brought together over 100 industry participants to discuss future regulation. We know how important it is that there remains strong co-ordination between the UK authorities as we develop the regime; that is why the Cryptoassets Taskforce, launched in 2018, continues to have a vital role in informing where regulation can drive forward UK objectives.

As we build a regulatory regime that delivers safe, sustainable and—I hope—value-creating innovation, we will ensure that we are at the cutting edge of legal

[Richard Fuller]

innovation, so that the UK has a strong legal foundation for this technology. Following a request from the Government, the Law Commission recently published new proposals for reforming property law relating to digital assets and smart contracts. The Government have asked the Law Commission to consider the legal status of decentralised autonomous organisations, which the hon. Member for West Dunbartonshire referred to. They are a new form of online, decentralised organisational structure. We are exploring ways of enhancing the competitiveness of the UK tax system to encourage further development of the cryptoasset market in the United Kingdom.

We are undertaking this work because we have a choice: the UK can either be a spectator as this technology transforms aspects of life, or we can become the best place in the world to start and scale crypto technologies. The Government choose the latter course. We want the UK to be the dominant global hub for crypto technologies, and so will build on the strengths of our thriving fintech sector, creating new jobs, developing groundbreaking new products and services—

Motion lapsed (Standing Order No. 10(6)).

Healthy Start Scheme

11 am

Christina Rees (in the Chair): I will call Kate Green to move the motion, and then the Minister to respond. There will not be an opportunity for the Member in charge of the debate to wind up, as is the convention in 30-minute debates.

Kate Green (Stretford and Urmston) (Lab): I beg to move,

That this House has considered access to the Healthy Start scheme.

It is a pleasure to introduce the debate and to see you in the Chair, Ms Rees. I start by praising Healthy Start. The scheme provides support to expectant mothers who are more than 10 weeks pregnant, and to parents and care-givers who are responsible for at least one child under the age of four. Healthy Start vouchers, which have a value of up to £4.25 a week, or £8.50 a week for those with a child under one, entitle parents in receipt of certain social security benefits to fruit and vegetables, cows' milk, infant formula and pulses. The vouchers also enable mothers to access vitamins from pregnancy until their child reaches the age of one, and enable children to access them from birth until the age of four. Originally, the scheme used paper vouchers, but since September 2021, families who were already enrolled on the Healthy Start scheme have been moved on to prepaid cards. Since the end of March 2022, prepaid cards have entirely replaced the paper vouchers.

Healthy Start has an important role to play in helping to ensure that mothers and young children have a nutritious diet. It is effective: research has found that participating families increase their spend on fruit and vegetables. The Minister will understand how crucial a healthy diet is for pregnant and new mothers, babies and young children. The British Medical Association has highlighted the effects of poor nutrition during pregnancy: adverse health and social outcomes, premature birth, low birth weight, shorter life expectancy and a higher risk of death in the first year of a child's life.

Ian Byrne (Liverpool, West Derby) (Lab): I thank my hon. Friend for securing this incredibly important debate; I know the work that she has done on the issue. A report from Feeding Liverpool, published today, has found that thousands in our city who are eligible for Healthy Start are missing out. In 2021, an estimated £758,521 went unclaimed, rather than on giving children and those who are pregnant in Liverpool access to good food, milk and vitamins. That is a huge loss for families who are struggling to cover the rising cost of living in a city where one in three is now food insecure. It will have a huge health impact; we know how important nutrition is for children in the early years. Does my hon. Friend agree that the Government must urgently review and extend the eligibility threshold for Healthy Start, to enable more families to benefit from the scheme, and that the Government must invest in a national Healthy Start communications campaign to increase awareness and uptake?

Kate Green: It is a pleasure to respond to my hon. Friend's question. He has done excellent work as part of his "Right to Food" campaign, and he raises a number

of issues, including take-up, the generosity of the scheme and the importance of adequate nutrition, that I will come back to in my speech.

My hon. Friend will know that child food poverty continues to stunt children's development as they grow up, and that overstretched family budgets, which mean that mothers go without in order to feed their children, are harmful to maternal health, increase maternal stress and are especially dangerous if women are breastfeeding—or, indeed, may prevent them from doing so. The Minister will share our concern that a new YouGov survey commissioned by Kellogg's, which will be released next week—I appreciate that she has not had a chance to see it yet—has found that 66% of low-income families say that accessing Government benefits is complicated, and 53% are not confident that they are aware of all the benefits available to them. At the same time, 80% of parents on low incomes say that the rising cost of goods has impacted their ability to pay for essential items, and more than one in seven says that their children are worried about the situation.

Jim Shannon (Strangford) (DUP): This is an incredibly important subject. I commend the hon. Lady on the way that she has introduced it. We are moving into what are perceived to be difficult times. Some of the figures for Northern Ireland show that poverty will probably double, which shows the importance of the scheme. Does she agree that the Government and the Minister must look once more at eligibility for the scheme, as working people who are already on the breadline will increasingly find themselves unable to support their family? If the scheme is not able to provide for a family as it did in years gone by, there will be a need to change the money available and the system.

Kate Green: The hon. Member draws attention to a very important point about the pressures faced by families—and not just those in which people are out of work, but those where they are working on low incomes. Healthy Start and other forms of social support can play an important part in enabling families to raise their children.

The removal some months ago of the £20 uplift in universal credit and the cost of living crisis will exacerbate the situation for families, as soaring energy, food and fuel bills lead to a further increase in maternal and child poverty. Last month, the Institute for Fiscal Studies reported that the cost of living is expected to be 11.3% higher in financial year 2022-23 than last year; inflation is expected to peak in the last quarter of this year at 13.1%. The impact will fall disproportionately on low-income families. The TUC has suggested that pay rises could fall behind inflation by almost 8% later this year, marking the biggest fall in real wages for 100 years.

The situation is especially acute for families with new babies and very young children. Maternity Action points out that the value of the basic rate of maternity, paternity and parental pay, relative to women's median earnings, has declined from 42% in 2012 to 37% in April 2022. New mothers are expected to survive for up to 33 weeks on not much more than a third of women's average earnings. That, of course, is at a time when they face the additional costs associated with parenthood.

Against that backdrop, Healthy Start will be more important than ever, but as my hon. Friend the Member for Liverpool, West Derby (Ian Byrne) and the hon.

Member for Strangford (Jim Shannon) have pointed out, many mothers on low incomes will not even be eligible for support. To qualify, they have to be on an income of less than £408 per month, so a new mum receiving universal credit plus statutory maternity pay would not qualify for support.

Alongside concerns about the scale of support needed are concerns about the take-up of Healthy Start, as we have heard. In a written answer to the Bishop of Gloucester on 1 August, Lord Kamall stated that up-to-date figures are not held centrally. He promised that work to compile the data was taking place across Government, and that the data would be published as soon as possible, but I find it astonishing that the Government do not have those figures now.

As we have heard, there is widespread concern about low take-up. In Greater Manchester, the combined authority estimates that around 40%, or approximately £5 million-worth, of vouchers go unclaimed. That is borne out by Maternity Action's survey; fewer than 1% of respondents on low incomes reported receiving Healthy Start, the Sure Start maternity grant, or the Scottish Best Start grant and food vouchers, yet more than half of those very same mothers reported difficulties in buying essentials at least some of the time, and 2% reported using food banks. It is pretty clear that the benefits are not proving effective at reaching all those most in need.

Concerns about take-up are compounded by the suspicion that digitalisation has not improved things; indeed, it may have made them worse. I am not at all against digitalisation—indeed, the National Institute for Health and Care Excellence recommended it back in 2014. There are a number of potential benefits to introducing a payment card system: cards can be used anywhere in the UK; unspent sums can be rolled over from week to week; administration should be simpler and potentially cheaper for retailers; and data collected from card use could be used to improve the supply chain and for system monitoring.

However, it appears that when prepaid cards were finally introduced last year—applications are made by telephone or online—the process had been piloted only on those who already had smartphones and monthly price plans. That may explain some of the problems being experienced, which may be inhibiting take-up. First, the issue of the cost of calls—55p a minute for those on a pay-as-you-go mobile—is compounded by long waiting times to get through on the helpline. Applicants have reported having to wait up to an hour to speak to an adviser, leading to call costs of as much as £33.

One reason for the delay in getting through seems to be that the same line is used for both inquiries and application. A complicated query can lead to long waits for callers down the queue. Meanwhile, those applying online may face data costs. Claimants also report that no reason is given if their application is rejected. They need to reapply if they think the decision is incorrect but, unhelpfully, they will not know what they got wrong. Support takes effect from the date that an application is approved, but there is no backdating for those who had to reapply.

The expectation that a card system would mean improved coverage has not always materialised. The prepaid cards can be used at any outlet that accepts Mastercard. Unfortunately, that means that some outlets that previously accepted the paper vouchers are no

[Kate Green]

longer able to accept the prepaid cards. They include independent local stores, which often supply culturally appropriate foods to minority and marginalised communities, market stalls, and those making direct sales from the farm gate, which is a particular issue in relation to rural poverty. Even some well-known high street names that previously accepted the paper vouchers had the wrong Mastercard merchant code and could not accept the cards, as food retailing is not their main business. I am not sure whether that issue has been resolved; perhaps the Minister could confirm that.

Finally and distressingly, while we may have expected that the use of a prepayment card would reduce stigma, Feeding Britain points to worrying research from Northumbria University; it shows that shoppers need to split their trolley of purchases at the check-out; cards are frequently declined at the check-out, causing anxiety, embarrassment and humiliation; and shop staff are unfamiliar with the new prepaid cards, unable to help or offer conflicting advice. We hope that those are teething problems and will reduce as stores become familiar with the cards, but it is troubling that the new scheme should have compounded poverty with stigma in this way.

Having said all that, I repeat my support for the Healthy Start scheme, but it could be so much more effective at reducing poverty and improving maternal and child nutrition if changes were made. I will conclude with some questions and suggestions for the Minister. First, sort out the helpline. I cannot understand the logic of a service that is intended to support low-income households imposing call charges that exacerbate family poverty. Healthy Start is not alone in that. It is high time that the Government carried out a comprehensive review of the cost of calls to helplines across Government that are specifically designed to enable people on low incomes to reach the services and benefits intended to help them, including Healthy Start. While I am on the subject, a review is needed of the data charges when accessing services online.

Next, deal with the delays—if necessary, by increasing helpline staff numbers to reduce waiting times. Will the Minister review the routing of calls depending on their nature, so that complex queries do not create bottlenecks that lead to long waits for other callers?

As I have said, eligibility for Healthy Start starts from the 10th week of pregnancy. In practice, however, the support takes effect from the date of a successful application, so an expectant or new mother who has only belatedly discovered that she is entitled to support will lose out. Does the Minister agree that support should take place from the 10th week of pregnancy in all cases, and be backdated if necessary? That would help those whose initial applications are rejected and who successfully reapply. Will the Minister look at what can be done to ensure that applicants are clear about the reason for refusal if their application is rejected?

As I have said, Healthy Start is available until a child is four, which leaves a gap of several months before children start school and may become eligible for free school meals. Will the Minister consider extending coverage until a child starts school? Will she look at the value of Healthy Start, at extending it further up the income scale—many claimants in receipt of universal credit are ineligible—and at automatic uprating, so that the value

of the benefit keeps pace with inflation? The Co-operative Group topped up the value of the vouchers as families struggled during the pandemic. With the cost of living now rising so sharply, there is a need for the Government to act urgently.

Crucially, will the Minister urgently launch a vigorous and comprehensive national take-up campaign, working with local and regional government; retailers and industry bodies such as the Co-op and the Association of Convenience Stores, which work hard to promote the scheme among their members; charities, foodbanks and pantries such as the Bread and Butter Thing and Community Fridge; the advice sector; schools and family hubs; registrars in NHS settings; and organisations that provide support to new mums and pregnant women? There is good practice on which to build—for example, Kellogg's is partnering with the Greater Manchester Poverty Action Group to run a pilot in four schools and colleges that gives parents access to a financial inclusion officer, who will be available in informal settings such as school breakfast clubs in order to offer parents advice on how to access benefits, including Healthy Start.

Finally, a more accessible application process would also help take-up, so will the Minister work with the Department for Work and Pensions to introduce a tick box as part of the universal credit application process, and with local authorities to introduce a similar tick box on applications for council tax support? Better still would be to introduce a system of automatic enrolment, as Feeding Britain has proposed—perhaps with the option to opt out—to replace the system that we have now, which requires parents to opt in. Is that something the Minister would consider?

I know the Minister takes the health and welfare of pregnant women and children very seriously. Healthy Start has an important role to play, and I hope she will find the suggestions that I have made this morning helpful. I look forward to her reply, and to hearing how she intends to take action to ensure the scheme does all that it has the potential to do to help children to thrive.

11.17 am

The Parliamentary Under-Secretary of State for Health and Social Care (Maggie Throup): It is a pleasure to serve under your chairmanship again, Ms Rees, and I am grateful to the hon. Member for Stretford and Urmston (Kate Green) for securing the debate. I know that she is passionate about the Healthy Start scheme and the wider issue of children and young people. I also thank the other hon. Members who contributed this morning.

The Government welcome the opportunity to discuss the Healthy Start scheme and how it is benefiting hundreds of thousands of families across the country. Eating a healthy and balanced diet in line with the “Eatwell Guide” can help prevent diet-related disease, ensuring that we get the energy and nutrients needed for good health and for maintaining a healthy weight throughout life. As the hon. Lady outlined, the Healthy Start scheme is one of the ways that the Government continue to target nutritional support at the families most in need, which is increasingly important in view of current pressures on the cost of living. The scheme helps to encourage a healthy diet for pregnant women, babies and children under four from low-income households. It offers support to buy fresh, frozen or tinned fruit and vegetables, fresh,

dried or tinned pulses, plain cow's milk, and infant formula. Beneficiaries are also eligible for free Healthy Start vitamins.

Healthy Start is a passported benefit, with eligibility based on the receipt of welfare benefits and tax credits under certain earnings thresholds. Women who are at least 10 weeks pregnant and families with a child under four years of age are eligible for the scheme if they claim income support, income-based jobseeker's allowance, child tax credit with an annual family income of £16,190 or less, universal credit with family take-home pay of £408 or less per month, or pension credit. Pregnant women on income-related employment and support allowance are also eligible for the scheme. In addition, anyone aged under 18 who is pregnant is eligible for Healthy Start, regardless of whether they receive benefits. Once they have given birth, they must meet the benefit criteria to continue receiving Healthy Start. Pregnant women and children aged over one and under four each receive £4.25 every week, and children aged under one receive £8.50 every week, as well as free Healthy Start vitamins.

Our commitment to the Healthy Start scheme is demonstrated in both the voucher value increase of over 37% in April 2021, and the strategic move from a paper-based service to a digital one. I am extremely pleased that there have been over 400,000 successful applications to the Healthy Start digital service since its launch. Of those, 37% are households brand new to the scheme. The figures show that by providing a modern and efficient digital Healthy Start service, we have addressed the barriers created by the legacy paper-based service and have encouraged more eligible families to join.

Following user research and testing, we have replaced the paper application form with an online application that provides an instant decision for many families. We have also swapped paper vouchers, which beneficiaries told us could be lost, damaged, inconvenient or stigmatised to use, with a prepaid card. I take on board the hon. Lady's point that cards can be stigmatising when they go wrong, but a prepaid card that is loaded with Healthy Start benefit payments is an improvement. I am aware that there have been teething issues, which is to be expected when transitioning from a legacy service to a new digital service. However, we have been working to address those issues with the NHS Business Services Authority that operates the Healthy Start scheme on behalf of the Department.

Kate Green: I am grateful for the tone of the Minister's response. In relation to addressing the teething problems with NHS digital and business services, I understand that work with local steering groups has now ceased and there are no longer regional co-ordinators to feed back problems. Will the Minister look at ensuring that those on the frontline are able to continue to feed intelligence to the NHS, and receive intelligence back about improvements that are being made?

Maggie Throup: Yes, we always need to make sure that we know what is happening on the frontline so that we can keep improving services.

Since 1 April this year, over 1.5 million calls have been made to the automated Healthy Start helpline. The helpline supports beneficiaries to self-serve on topics such as activating their cards, reporting lost or stolen

cards, and checking their balance without needing to speak to an agent. The NHS BSA analysed the issues that applicants and beneficiaries may experience when applying for and using the Healthy Start scheme, and it has acted on the findings. In particular, it has invested more resources so that agents are handling calls and resolving them first time—an issue that was brought up early in the scheme. Currently, the average call wait time is down to just 31 seconds, which is a vast improvement. I am grateful to the NHS BSA for its work on harnessing the power of social media by engaging with over 15,000 messages since April this year. I also extend my thanks to Iceland—the supermarket, not the country—which continues to find novel ways to support and promote the scheme. The hon. Lady mentioned other supermarkets that we would be delighted to engage with.

At a time when families are increasingly aware of the cost of living and the need to provide their children with a healthy diet, the Government are committed to helping the most vulnerable. I will try to get through a few of the other questions in the time that we have. The hon. Member for Liverpool, West Derby (Ian Byrne) wanted to make sure that no one was missed in the transition. Since September 2021, the NHS BSA has directly contacted all households receiving Healthy Start vouchers to invite them to apply for a prepaid card, including three invite letters, two leaflets, emails and text messages. The Government continue to look at ways to support households to ensure that they are aware they can take up the offer, and the NHS BSA recently provided training to staff at the Department for Work and Pensions to raise awareness of the Healthy Start scheme. The hon. Member for Stretford and Urmston mentioned DWP and I think it is important that everybody is working together on these issues.

Healthy Start eligibility is kept under continuous review and aligns closely with other passported benefits across Government. There are no current plans to expand eligibility for the scheme with regard to the onus threshold or the qualifying age range but, as I said, we always keep such schemes under review. We have talked about the current cost of living and food inflation, and the Healthy Start scheme is kept under review from this point of view as well. The voucher value rose from £3.10 to £4.25 in April 2021—an increase of 37%. We have no current plans to increase the value of the Healthy Start scheme.

The hon. Member for Stretford and Urmston raised the cost of calls to the helpline. In line with national and other Government agencies, the NHS BSA transferred from 0845 numbers to 0300 or 01 or 02 numbers as part of the fair telecoms campaign. Telephone companies include calls to 0300 numbers in the free minutes of some call plans. Any call charges outside of a plan are charged at a local rate, which is set by the caller's provider, so calls to the NHS Healthy Start telephone helpline are charged at a local rate if they are not part of an inclusive package. We now have a separate automated telephone helpline that is available 24 hours a day, which will help people with a lost or damaged card or to check their balance—as the hon. Lady said, issues that are not complex but much easier to resolve through an automated system.

Of course, people can apply via email and through the NHS Healthy Start Facebook and Twitter social media channels, so there are ways to access the service

[Maggie Throup]

without paying for the phone call. We recognised some of the teething problems that were seen on the telephone lines, and hopefully the hon. Lady will see that we have now made vast improvements.

The hon. Lady talked about automatic enrolment through universal credit or local authorities. However, the Healthy Start card is a financial services product, which means that the person using it has to take on certain responsibilities. There therefore needs to be that acceptance of authorisation. The hon. Lady is looking confused—I will write to her with more details, rather than try to explain it in the short time I have left.

The hon. Lady also talked about cost of living pressures potentially increasing existing disparities. The Government are committed to levelling up health across the country and will continue to work to close the gap in health outcomes between different places and communities so that people's backgrounds do not dictate their prospects for a healthy life. I know that that is very close to the hon. Lady's heart; it is very close to mine as well.

I have hopefully covered many of the issues that have been raised by the hon. Members for Stretford and Urmston and for Liverpool, West Derby. As I say, I will write to the hon. Lady about the financial services product. If there are any other outstanding issues, I am happy to have further correspondence with her. I close by thanking the hon. Lady for raising this important issue and other hon. Members for their contributions. As always, we will keep the Healthy Start scheme under review to ensure it provides support for those families who need it the most.

Question put and agreed to.

11.29 am

Sitting suspended.

Seven Principles of Public Life

[DEREK TWIGG *in the Chair*]

2.30 pm

Paula Barker (Liverpool, Wavertree) (Lab): I beg to move,

That this House has considered the Seven Principles of Public Life.

It is a pleasure to serve under you, Mr Twigg. I thank parliamentary colleagues who offered support in securing this important debate and those participating in it. Sadly, it does not seem to be very important to those on the Government Benches. I also thank staff at the House of Commons Library, who seldom get the thanks they deserve, for preparing an excellent briefing for today's debate.

With a new Prime Minister being installed only yesterday, our politics and political system stand at a crossroads. We should use this moment to move beyond the controversy of the last premiership, to genuinely learn the lessons of the past couple of years, to truly understand the public's anger, to collectively strive to be better and do better, to reaffirm our commitment to the Nolan principles, and to demonstrate that they mean something in the way we go about our business. However, I have little faith that this place—the so-called mother of all Parliaments—will achieve better. Far too much power is invested in the executive branch in an overly centralised system of governance—a centralisation of power that is incomparable to our counterparts—so I fear that the very nature of our democracy will inevitably see us lurch from scandal to scandal.

This place is full of good people with noble pursuits—those who do not need to understand any newly proposed descriptor of the Nolan principles to practise them in everything they do. Although I will not allow the new Prime Minister's predecessor off the hook, our problems did not start with the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) and nor did they end with him, even though I believe with every fibre of my being that no one has eroded public trust in our institutions more than he has. He is a product of the changing face of the governing party: a Conservative party that is uninterested in conserving but is willing to trash and stretch constitutional norms to their limits in order to safeguard its self-preservation, in practice of its fundamental belief in its divine right to govern.

Louise Thompson, a senior lecturer in politics at the University of Manchester, summed it up nicely by stating that we cannot separate the personnel from the system and that the two can complement each other in the wrong ways. She said in *The Week*:

“His two and half years in Downing Street have exposed some of the vulnerabilities of British constitutional norms, demonstrating how the combination of a strong parliamentary majority, ambiguous ministerial and parliamentary rules and a national crisis can give prime ministers a seemingly free hand to dominate political life and avoid scrutiny.”

Lest we forget, it was under the Major Government that Lord Nolan, then chair of the Committee on Standards in Public Life, devised the seven principles of public life in 1995. The CSPL was established with the following terms of reference:

“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.”

That was written in 1995. It is astonishing that such words could easily have been put together for the context in which we are operating as we gather here in 2022.

What is the context for today’s debate, and why is the debate necessary? In a democracy, governance requires consent and the popular support of the people we represent, but support for politics and politicians is at a record low. That was highlighted in an Institute for Public Policy Research report published late last year, which found that trust in politicians is at an all-time low and that the sharp decline in political trust is undermining liberal democracy. It found that almost two in three people now see politicians as being “merely out for themselves”. The study showed a “significant and disturbing” decline in satisfaction with democracy, and in trust in key democratic institutions.

The sleaze scandal around Owen Paterson at the time was just the tip of the iceberg of declining political trust. Heaven knows how much worse those numbers would have been if the research had been conducted following partygate and the numerous allegations of sexual abuse. In the mind of the public, there have been one too many rotten apples in the past few decades and the entire barrel is spoiled. In answer to my original question, that is why this debate matters. That is the context in which it takes place. To do nothing and say nothing is to be complicit.

The Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership are, of course, not law. They are not directly enforced. However, they form part of many codes of conduct. For example, the ministerial code says that Ministers are expected to observe the seven principles of public life. The House of Commons code of conduct says that MPs are expected to follow the principles in the carrying out of their parliamentary duties.

There has been a flurry of activity in relatively recent times in this area. In November 2021, the House of Commons Committee on Standards—not to be confused with the CSPL—proposed bespoke descriptors of the seven principles for MPs, which were designed to more closely reflect how the principles apply to the role of an MP. In April 2022, the Committee took evidence from the then Leader of the House and the then Minister for the Cabinet Office on the Nolan principles.

Indeed, the deputy Leader of the Opposition called an urgent question on the mechanisms for upholding standards in public life in July 2022. I hope that we will hear a more suitable, bold response from the Minister today, rather than something echoing the evasive non-answer the then Paymaster General gave to my right hon. Friend the Member for Ashton-under-Lyne (Angela Rayner) back in July. On that day, the Paymaster General repeatedly mentioned the “sophisticated and robust” systems for upholding standards in public life. I am sorry, but what utter guff. I agree with the hon. Member for Hazel Grove (Mr Wragg), who responded that, “those systems are, on the whole, irrelevant if the participants have no regard to them.”—[*Official Report*, 5 July 2022; Vol. 717, c. 733.]

I believe our systems can be summed up in one word: irrelevant.

No such sophisticated, robust system exists in this place for upholding standards in public life. Acknowledgement of that basic fact by the Minister today would be, at the very least, a start. That is in stark contrast to other professions where the Nolan principles apply, such as healthcare and journalism. [*Interruption.*] The Minister may laugh, but it is a fact that in healthcare, the professional duty of candour requires that all healthcare professionals are open and honest with patients when something goes wrong. In the media, the Independent Press Standards Organisation’s editors’ code puts significant emphasis on not publishing inaccurate or misleading information or images. Where that does happen, it must be corrected promptly and with due prominence and, where appropriate, an apology must be published. Fundamentally, such differences in the practice of standards can only feed into the impression the public have that there is one rule for the people and another for us in this place.

I thank the organisation Full Fact for providing such examples ahead of this debate. It believes that to ensure a true commitment to honesty in public life, the honesty descriptor should include, in addition to the imperative to simply be truthful, an obligation or requirement to seek out, share and present information accurately and, crucially, to correct the record when necessary. I agree that that should be the case.

That leads me on to “Standards Matter 2”, a review conducted by the CSPL. I want to highlight some of the responses to the public consultation, which were consistently detailed and outcome-focused, and provided genuine suggestions on the enforcement of standards. I personally conclude that that is the only terrain on which this debate should be conducted—not empty platitudes about personal responsibility and self-regulation, which have been shown to get us nowhere.

For instance, the Centre for the Study of Corruption at the University of Sussex said in its response:

“UK standards in public life are in decline and at risk of declining further, with numerous recent breaches of integrity at the heart of politics and public life”.

It said:

“Dependence on established norms and personal integrity is no longer tenable when these are regularly undermined... The UK may need to move in some areas from principles to rules, backed up by enforceable sanctions”.

It went on to provide a raft of suggestions on sanctions, oversight and accountability. It suggested independent bodies, such as an anti-corruption agency free from political interference, in line with other mature democracies. That suggestion was also made by the likes of Transparency International UK, which highlighted the cronyism and nepotism at the heart of our system. I believe that public consultation document should be a starting point for cleaning up our democracy, and I implore everyone to read it.

To conclude, our system of governing standards is built on self-regulation, and the belief that we in this place know better—that we will always do the right thing. That arrogance has recently been reinforced by the new Prime Minister, who has stated that she may not need to appoint a new ethics adviser. She always acts with integrity. Who says that? The new Prime Minister herself. The Nolan principles are as relevant today as they were when they were devised, all those years ago. The next big question for this place is whether

[Paula Barker]

we are serious about those principles, in both word and deed. If we are, we can no longer hold on to the belief that we—the politicians—are best placed to regulate our adherence to them. Leadership starts at the top, starting with the Government.

2.41 pm

Mick Whitley (Birkenhead) (Lab): It is a pleasure to serve under your chairmanship, Mr Twigg. I congratulate my hon. Friend the Member for Liverpool, Wavertree (Paula Barker) on securing this important debate. It could not be more fitting that we gather to debate the subject of standards in public life in the same week that a Prime Minister for whom the words integrity and honesty are alien was at last forced from office.

Optimists may hope that a change in leadership will bring with it a renewed respect for those most basic of principles that govern conduct in public life. However, anyone who has spent any time at all observing how the Conservative party acts in office would be far more sceptical. Indeed, the new resident of No.10 was more than willing to stand by her predecessor, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), as he tore up the rules, lied to the public and trampled over democratic norms. That proved to be no impediment in her ascent to the highest office in the land. In fact, it undoubtedly helped her along the way.

While ordinary people have been confronted by the worst cost of living crisis in memory, Parliament has been consumed by a tawdry litany of scandals that have served to undermine public confidence in this place like never before. If the new Prime Minister is to convince a public who have had no say in choosing her that she truly does intend to work with them, she must make restoring faith in Government and Parliament a top priority. That must mean enshrining the Nolan principles at the heart of everything we do. Those seven principles are foundational in guaranteeing that public bodies work in the interests of those they are supposed to serve. However, the principles mean little without the appropriate mechanisms to ensure they are properly enforced.

We can talk about honesty all we want, but it means nothing when our Prime Minister can lie to Parliament and the wider public for months with total impunity.

Derek Twigg (in the Chair): Order. You cannot say lie.

Mick Whitley: Okay then, misled.

The Parliamentary Secretary, Cabinet Office (Mrs Heather Wheeler): You cannot say that either.

Mick Whitley: Well, I have said what I said. I will move on.

Derek Twigg (in the Chair): You need to withdraw it. You cannot say that.

Mick Whitley: I withdraw it then, reluctantly.

Talk of accountability is equally hollow while efforts are still under way to frustrate the ongoing work of the Privileges Committee. We often talk about the need for culture change in Parliament, and rightly so, but if we

are to begin the task of rebuilding faith in public life in earnest, we must accept that broader structural reform is also needed.

When it comes to standards in public life, the Government have for far too long been allowed to mark their own homework. We saw with the case of the former Member for North Shropshire that when the rules have become inconvenient, Members have been free to try and change them as they please. That can no longer stand. The time has come to accept that ministerial and parliamentary standards need more rigorous and, most importantly, independent enforcement. That is why my party is calling for the Prime Minister to be stripped of her sole authority for enforcing the ministerial code and for an independent integrity and ethics commission to be established to ensure that the very highest standards are followed in public office. That is why the independent ethics adviser, of whom the Prime Minister has said she has no need, must be made truly independent. Finally, that is why we need to give serious consideration to the growing calls to make misleading Parliament a criminal offence.

The process of restoring confidence in our Government will be long and difficult. It will mean accepting that the way things have always been can no longer continue, but if our constituents are to have any faith in the Government's ability to work in their interests in the difficult times ahead, that is essential.

Several hon. Members rose—

Derek Twigg (in the Chair): I intend to call the Front Benchers, starting with the SNP, no later than 3.30 pm.

I remind hon. Members to consider the language they use during the debate. We are debating the seven principles.

2.46 pm

Kim Leadbeater (Batley and Spen) (Lab): I congratulate my hon. Friend the Member for Liverpool, Wavertree (Paula Barker) on securing this important debate on a subject that is extremely close to my heart.

In the 2019 general election, there was a 67% turnout, which means that a third of people did not vote. Even more worryingly, there was only a 19% turnout of 18 to 24-year-olds. We have a clear problem with political engagement—or, rather, political disengagement and disillusion—and we have to ask ourselves why.

I have given a great deal of thought and time to standards in public life recently, both before and after my election last year. For reasons that hon. Members will understand, I am particularly concerned about the consequences for us all, both inside and outside the House, when our failure to meet decent standards of behaviour leads to a loss of faith in the democratic process. People staying at home on polling day is one thing, but the more sinister side of having a political system that people do not feel inclined to engage with or do not trust or believe in is the risk that they will be drawn to the extremes, leading to polarisation and division, fractured communities and, in the worst cases, political violence. With abuse, threats and intimidation of people in public life now commonplace, and after two serving MPs, including my sister, have been murdered in recent years, surely we all have a responsibility to do all that we can to remove the cancer of hatred, abuse and intimidation from public life before it spreads any further.

In my view, that starts with respecting the seven principles of public life, set out so well by Lord Nolan. We should set an example in this place by airing our disagreements without treating with contempt those with whom we disagree. Those principles—selflessness, integrity, objectivity, accountability, openness, honesty and leadership—should be uncontroversial. The fact that some in high office have been unable to put those principles into practice in recent times should concern all of us, regardless of our political colours. Our first loyalty should always be to uphold the standards the public expect us to uphold. In public office, we should always be ready to look at things from the public's perspective.

I know that for many of my constituents in Batley and Spen—and, indeed, for me, as a relative newcomer to this place—this job is not just about what it takes to be an effective politician; it is about the kind of behaviour that makes someone a good human being and a decent person. It should be second nature, but since my arrival at Westminster I have been surprised—shocked is a better word—by how some people come to this place and seem to forget how to behave. Some of the behaviour we see would not be tolerated in any other place of work, or indeed in the school playground. We all get angry and frustrated, but we have a professional duty to channel those powerful emotions responsibly. Of course, in this job it is totally unrealistic to expect everyone to like or agree with us, but we should be able to demonstrate that we will treat others with respect, and we will hopefully be treated with respect in return.

I first became engaged in the debate on the Nolan principles through the work of the Jo Cox Foundation. Civility in public life is an important strand of its work, and rightly so. Jo believed passionately in freedom of expression and in healthy, vigorous political debate, but she also believed that we should be able to conduct that debate without resorting to personal abuse or insults or seeking to provoke hatred and division in society. The ambition of the Jo Cox Foundation, working alongside the Committee on Standards in Public Life and others, is to move political discourse in this country back within the bounds of respectful debate and away from any form of intimidation, abuse or threat of violence.

If we get this wrong, it impacts not just individuals, but our democracy itself. There are implications for our ability to foster strong and integrated societies, drive out extremism and encourage political participation at all levels. Our politics has always been conducted in primary colours, and nobody is arguing for it to become beige and bland, but I believe it is perfectly possible—indeed, essential—for us to continue to conduct our debates robustly and vigorously, while still upholding these seven important principles.

As we get closer to the next general election, the political temperature will inevitably rise, the stakes will get higher and all of our competitive instincts will come to the fore. There is absolutely nothing wrong with that, but as that happens, we must continue to uphold the standards of conduct we have committed to. It is up to us all in this place to show leadership on this issue. Indeed, I believe that our future as an open, tolerant, inclusive democracy, which people can believe in and want to engage with, depends on it.

2.51 pm

Chris Bryant (Rhondda) (Lab): I am grateful to be called to speak in this debate, Mr Twigg. As you know, I am Chair of the Committee on Standards. I have always thought that was a bit of an irony—I am certainly no saint, and I have never pretended to be. I was awarded the civility in public life award recently, and when I came back to the House that evening, some Conservative Members, including the then Justice Secretary, the right hon. Member for Esher and Walton (Dominic Raab), said to me, “That is completely and utterly ironic. You are the most acerbic Member we have.” I said, “You’re mistaken—it is not the servility in public life award that I got.”

I want to talk about three things today: first, the independent adviser on the ministerial code; secondly, openness, which is just one of the seven principles of public life; and thirdly, the new code of conduct recommended by the Committee on Standards, which I chair.

I have always thought that the independent adviser on the ministerial code should be a statutory post. I think, as Lord Geidt himself suggested, that the independent adviser should be able to launch an investigation into any potential breach of the ministerial code without reference to the Prime Minister, and that should include, potentially, launching an investigation into a breach of the code of conduct by the Prime Minister. I note that most constitutions around the world, including South Africa's, have a process for investigating the Prime Minister. We have sometimes helped to draft those constitutions, although not South Africa's—that was done by the African National Congress. However, we have absolutely no process whatever, unless the House manages to launch something, which can be started only if the governing party supports it.

I think it is important that we have a fully independent adviser on the ministerial code, but I note that the now Prime Minister said during the leadership contest that she was not going to appoint another one, because she did not need one to know

“the difference between right and wrong”.

Let us leave whether she knows the difference between right and wrong to one side for a moment; she will need an independent adviser, and will legally have to have one, unless she is going to completely rewrite the ministerial code itself, because it says that potential breaches of the code will be addressed by the independent adviser on the ministerial code. Unless she is going to tear up the ministerial code and have no ministerial code at all, she is going to have to have an adviser—not least because the adviser not only does that bit, but also draws up the list of ministerial financial interests. That is the only thing that prevents corruption in ministerial office in the United Kingdom—the only thing.

Bizarrely, that list is published only occasionally. It is meant to be published every six months but, quite often in recent years, because we have not had a ministerial adviser, it has not been published for a year, 18 months or two years. That means that normally—not just occasionally—the list of ministerial interests is not even a correct list of Ministers. It is not a correct list of Ministers today, and it was not a correct list last week, the week before or for much of this year, last year or the year before. That is not transparency, so I think we need

[Chris Bryant]

radical reform to improve the system. The list of ministerial interests should be published the moment a Minister has made a declaration to their permanent secretary; that should be in real time. It should be co-ordinated with what we publish in the House, so that any member of the public, at any time, can see in a single place all the financial and other interests that any Member of the House has.

That takes me to my second point, which is about openness in Government. As all Members will know, we are required, as Members of Parliament, to register any financial interests we have under a variety of different headings: ownership of land, payments we have received for work we have done, gifts we have received, hospitality, overseas trips and so on. There are various thresholds—£300 or £1,500, depending on whether it is an Electoral Commission-relevant gift. We have to do that within 28 days.

Breaching that requirement is a breach of the code of conduct. I know that—I said I am no saint—because I managed to get this completely wrong. I completely forgot to register that I had gone to Poland with the British Council. I remembered to do so three years later, and I completely owned up without anyone ringing the *Daily Mail*. We have a proper rectification process when individual Members just get it wrong in an honest way. Roughly 25 Members end up going through that process every year, and that is perfectly sensible.

However, we have a clause in the code of conduct that says that some must register these things unless they have received them in their ministerial capacity. The former Home Secretary, the right hon. Member for Witham (Priti Patel), and the former Foreign Secretary, now the Prime Minister, went to the premiere of the most recent James Bond film. They did not register that in the House, which they would have to have done within 28 days, and they said that that was because they went in a ministerial capacity. In the Standards Committee earlier this year, I asked a couple of other Ministers, who have now moved on, why someone would register going to a Bond premiere in their ministerial capacity. One of them said, “Well, that’s because James Bond exercises Executive functions.” Then one of them tried, “Well, actually James Bond works for MI5,” and I said, “It’s actually MI6, but don’t let that bother you.”

This is a nonsense, and it is a bigger nonsense than we think. The Government are theoretically committed to publish details of four different things every three months: travel, gifts, hospitality and meetings. There is not one Government publication, and each Department does that separately, but they are nearly always late. The worst offender is normally the Foreign, Commonwealth and Development Office, and the Cabinet Office is often the best performer. At the moment, if we add up all the days that Departments are late publishing this material, it is to the tune of 1,200 days. That means that if somebody went to an event last November, we would probably not know about it until next March or June, which could be after a general election or long after the moment when it would have helped the public to know what financial interests potentially influenced a Minister.

To check all these documents every year, we would have to look up 362 separate documents on the internet. On top of that, according to the last set of details provided by the Foreign, Commonwealth and Development

Office, which came out in July and referred to October to December last year, two Foreign Office Ministers apparently never went on any overseas visits whatever. I simply do not believe that. Apparently, the then Foreign Secretary, now the Prime Minister, had only one meeting in the whole three months. I simply do not believe that, bearing in mind that the Business Secretary at the time had 154 meetings in the same period.

So I do not think that the transparency system is working. It is a bunch of made-up material, it is completely incomprehensible to the ordinary member of the public and it is a complete failure of the Nolan principle of openness. That is why the Standards Committee has said that we should abolish the exemption allowing Ministers simply to record things through the ministerial route. We think that all Members of Parliament should be treated equally under the rules of the House. If someone has a financial interest it should be known within 28 days, with the same details provided by all Members of Parliament, and no exemptions for Ministers. It could be argued that it is even more important to know who is wining and dining Ministers, because they are the people making executive decisions. We should know that in real time.

Finally, the Standards Committee, which I chair, has produced a new code of conduct for the House. There are many areas where we just want to make the rules simpler, so that people do not make inadvertent errors. Of course, we should have high standards, but we do not want to have impossible standards that nobody would be expected to meet in any other line of work. We have tried to simplify the rules in many different ways. I urge Members to read our full report. We have some outstanding differences with the Government, but those should be resolved on the Floor of the House.

We have also said that we should restrict second jobs for Members. For instance, someone with a second job should have a contract that says what that person can and cannot do, so that they cannot engage in paid lobbying, as Owen Paterson did. We also said that a Member should not have a job where they sell their knowledge as an MP on the open market to businesses around the country, effectively as a political consultant. That is not on. The Government seem reluctant to bring that forward to the House. I gather there will be a debate next Wednesday, and I hope that we can resolve all of this swiftly and bring in rules for all Members of the House that are more stringent in some areas and simpler in others, so that all Members are treated equally.

It would be a massive mistake for the new Administration to start off with a row about standards. That is what brought down the previous Administration. I really hope the new Prime Minister will not go down that route again, and I know that many Conservative Members feel similarly. I hear that the Government intend to bring forward only the new provisions on introducing a right of appeal over standards issues. I think that would be a big mistake.

Finally—you will tell me that I have already said “finally”, Mr Twigg, but I used to do it in my sermons, and I do not see why I should stop now—when the motion to appoint the new Parliamentary Commissioner for Standards, Mr Daniel Greenberg, is brought forward, I am confident that the House will be enthusiastically supportive. Those who know him through several Committees he already works with in the House will

know that he is absolutely cracking. He is clear, incisive, witty, intelligent and clever. He knows the law inside out and how Parliament and politics work. He will be a magnificent Parliamentary Commissioner for Standards. I hope the Government will bring forward that measure very soon.

3.3 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to speak in this debate after so many brilliant contributions from my Labour colleagues. I hope the wide-angled camera that the parliamentary authorities use to broadcast this meeting will show that not a single Conservative Back-Bench MP has bothered to turn up. That is a shame. The Minister and her Parliamentary Private Secretary are rightly in their places, and I look forward to hearing what the Minister has to say. Standards in public life should not be optional. Every one of us, regardless of party, should seek to uphold, celebrate and share them, and we should tell the story of why they matter, but someone needs to turn up to do that. I hope that people can see the empty chairs in this room and that they will ask why only Labour Back-Bench MPs were speaking in this debate. This issue does matter.

The standards spoken about so brilliantly by my hon. Friends, the Members for Liverpool, Wavertree (Paula Barker), for Batley and Spen (Kim Leadbeater) and for Rhondda (Chris Bryant) are important. We could restrict those standards to selflessness, integrity, objectivity, accountability, openness, honesty and leadership. We could include others, as many people who have applied the principles of public life to their own organisations have done, such as duty and a requirement to uphold the law—that should be a given but, sadly, we have seen that that is not always so. Other principles are respect, equality and the importance of treating everyone equally, no matter who they are, who they fall in love with, where they come from, the colour of their skin or their religion. The principles, when taken together, are about how to be decent.

I sometimes get things wrong; I sometimes make mistakes. The system should be broad and confident enough to allow us—if we make an honest mistake, because of innovation or because we get something wrong—to put our hands up, apologise and learn that lesson. That is an informed, sensible and confident system. What we have at the moment is a broken system. It is important that we deal with it. It is not broken because of neglect. It is broken because of deliberate decisions to break it. That is dangerous, because it puts us on a path to a place where standards do not matter and are not upheld. It suggests that we are all the same, and that every Member of Parliament—regardless of their party—is somehow in the mud, somehow on the take and somehow unfairly representing their constituents. There are brilliant MPs in every party; there are a lot of good, decent Conservative MPs who would probably want to be here. We need to make sure that this debate is conducted against those high principles and in a language that reflects the political body we are seeking to create. That is the spirit of what I want to say.

The context in which this debate is being held is important, and my hon. Friend the Member for Liverpool, Wavertree set it out really well. We are here because the

last Administration sought to break many of those standards, sought to evade scrutiny and sought to excuse and protect those who had broken the standards, the system and the principles that we seek to uphold. That gives us a choice, because people care about those standards.

If we were to do a taste test on the streets of Plymouth or in any other constituency and to ask people to name the seven principles of public life, I am not certain that every member of the public would be able to name them all, but they would all give it a good go, and the words we would get back would reflect the overall sentiment of the principles. That is what we should be aiming at, because what we have seen over the past year should scare each and every one of us—no matter whether we are in government or in opposition, aspiring to be in government. This issue matters.

Yesterday, I hosted a group of young care leavers from Plymouth at an event with Barnardo's. They talked about their experience of being in care, and I am enormously proud of them for the way they travelled from Plymouth—many of them leaving it for the first time—to come to Parliament. One of them asked me, "Why would anyone take notice of us? Why does it matter?" I explained the job of Members of Parliament, and they said, "Aren't they all corrupt?" That is not an unreasonable question for a young person who has been confronted by years and years of the news coverage that we have had. I am so proud of those young people for telling their story about being in care, but we need to make sure that our day-to-day business here speaks to a place that every young person can look at and aspire to be in and whose principles they can aspire to follow.

That means changing the rules that we have. I do not see a reason why MPs have second jobs. The declarations of who has a second job includes many of the MPs in the south-west near to me. When I ask how many hours or days a week they spend doing a second job, I think that is one or two days a week that they are not doing the job that they were elected to do and that they are paid very handsomely to do. What are we getting? Are taxpayers getting a rebate? Are they getting a refund? What influence, decisions and information is being shared? There should be no second jobs, except for those who are keeping up a medical licence or the ability to write a book.

I understand why some people do not want to be in Parliament, because I do not think it is a safe place to work. I say that because I worked in professional workplaces until my election, and I did not doubt that any of those private sector workplaces were safe. People were able to come to work and be safe. I do not always believe that Parliament is a safe place to work, especially for many of our staff. Young people, often not paid very much, are in an atmosphere full of alcohol, where power has a currency all by itself. When we talk about standards in public life, they are not amorphous, blobby things. They are not foggy things that we are trying to catch. They are lived experience for people. We must make this place a safe place for everybody to work. There is a big distinction between the Parliament that I turned up to as a young researcher in 2000 with brown hair and the Parliament that I turned up to with grey hair when I got elected.

Chris Bryant: It was grey back then—there is nothing wrong with grey.

Luke Pollard: It was brown—I have picture evidence.

None the less, progress has been made in those 20 years. We should not dismiss the fact that MPs of both parties have sought to make change to make this place a better one. However, it is not yet a safe enough place for everyone to work, and it needs to be. That is the reason why the seven principles of public life should not exist on a dusty bookshelf; we should live and breathe them. More than that, they should be visible to everyone in this place. Far from being points of shame, or a tick-list to see what someone has got wrong, they should be a source of pride and strength for us all in this place. We should display them around the building. The refurbished parliamentary building should welcome Members and guests with a celebration of those principles, built into the fabric of the building, just as today's Parliament highlights the many old dudes in wigs who once ruled Britain hundreds of years ago. We should make them visible to everyone.

Making them modern must also make them personal. If I am lucky enough to be returned as the Member of Parliament for Plymouth, Sutton and Devonport after the next election, one of the changes that I would like to see is that when we come to swear in, we should not just swear an Oath to the Queen—to God, if we have one—or affirm; I think we should also swear to uphold the principles of public life. If each and every one of us, in our own voice, says those words, lists the seven principles of public life and affirms or swears to uphold them when we are in office, then they are not just a tick box or a document that we have been given as part of the corporate brochure—the new starter's handbook. They are something that each and every one of us has said and made personal. That matters because if it is personal, it is more likely to be upheld by every individual.

I think we are at a crossroads in our democracy. At a crossroads, taking the right turn is not inevitable. Many places can take the wrong turn, and as we are seeing around the world, where rights are under attack, where democracy is being eroded, where misinformation is sometimes more believed than accurate information, it is not inevitable that we win this fight, that standards win. That only happens when we make the case for it, when people are persuaded by it and when there is no other option but to uphold those standards.

So I hope the Minister will take the Opposition's suggestions seriously, and make actual changes to the way this place functions—changes not designed to catch people out, but to celebrate those standards and make them something that each and every one of us aspires to make sure we uphold through our activities. When we go into schools and talk about our role as Members of Parliament, I think people see an MP who is proud of their job. They see an MP wanting to share the hope of changing the community for the better. Talking about their politics, their values, every single MP would probably make a case for good practice—for best practice and for hope. Why are we so different when we leave those schools and come to this place, that we find it so easy to qualify and avoid those standards? Why do we find it so easy to protect the people who break those rules? If every Member of Parliament decides today to stop protecting the people who make this place unsafe, to stop protecting the people who break the rules, we will get a Parliament that is better and we will have something that those young kids can be proud of.

3.13 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve under your chairmanship, Mr Twigg. I thank my hon. Friend the Member for Liverpool, Wavertree (Paula Barker) for securing the debate, and I thank my other colleagues for all the excellent speeches from them so far.

The seven principles of public life—selflessness, integrity, objectivity, accountability, openness, honesty and leadership—were brought in after the Nolan inquiry, following scandals in public life. They have been embedded in my brain since they were adopted. They permeated our understanding as councillors; they were the principles by which we worked and made decisions. We sign up to them when we are elected as MPs or councillors, or assume a variety of roles, but so do a large number of public servants when they are appointed or employed. They are integral to our public life. However, what happens in Parliament, and by Government, matters throughout our public life. That spreads beyond this place.

I said that it was embedded in my brain but, as a Quaker, truth and integrity is also embedded in my core. For those colleagues who go into Prayers, every day they pray that Members may never

“lead the nation wrongly through love of power, desire to please, or unworthy ideals but laying aside all private interests and prejudices keep in mind their responsibility to seek to improve the condition of”

—apologies for the language—

“all mankind”.

I believe, as others have said, that the vast majority of MPs do comply with the seven principles in all they do, and actively and willingly sign them and follow them. However, sadly, we have seen too many examples of where that has not been the case. Too often, in the last few years, that has come from the very top of Government, and from, as of yesterday, the previous Prime Minister—the right hon. Member for Uxbridge and South Ruislip (Boris Johnson). My constituent, Peter Osborne, identified 50 lies made by that Prime Minister in this House between the general election in 2019 and January of this year—when he stopped counting, but there have been many examples since. Honesty is one of the seven principles.

Peter Osborne said, I thought quite helpfully, that “we...had an area of public discourse which belonged to everybody, a common ground where rival parties could coexist”.

He goes on to say:

“Political lying is a form of theft. It takes away people's democratic rights. Voters cannot make fair judgements on the basis of falsehoods.”

That is just addressing just one of the seven principles.

Over the past three years, we have seen a bonfire of ethics and integrity. We have seen the Government try to overrule the Standards Committee; we have seen stories about Conservative MPs being threatened by Government Whips; and we have seen the very basic standards around public life degraded in front of us. The new Prime Minister stood by and supported the previous Government, who took a blowtorch to the basic ethics of public life.

I was particularly concerned to see, last week, that the Government have spent £130,000 commissioning a legal opinion on the Privileges Committee investigation into the right hon. Member for Uxbridge and South

Ruislip. I am not sure why the Cabinet Office felt it was a good use of public money to get an opinion on a matter that was for this House, and this House alone.

Under that Prime Minister, we saw the Government—I would say, disgracefully—undermine the basic structures that uphold standards and integrity in politics. Not only did they try to overrule the Standards Committee, but the Prime Minister refused to sack his own Ministers when they were found to have breached the ministerial code. What is the point of having a ministerial code if it is not enforced? Conservative Ministers have even gone as far as giving the finger to those protesting outside Downing Street.

Surely the fundamental problem we have is that, over the past three years, Ministers have felt able to act with impunity. A Minister unlawfully overruled a planning decision to help a Conservative property developer and party donor he had met at a dinner. We have seen a Cabinet Minister rebuked for bullying civil servants but not sacked. We have seen crony contracts worth millions of pounds of taxpayers' money awarded to friends and allies of Ministers without due diligence. If that had happened in local government when I was a councillor, we would have been sacked, and probably the Government inspectors would have been in and taken over from the powers of the councillors. Yet, when they were asked to provide evidence in court, they magically claimed their phones had been wiped.

We have seen more. We have seen a Government who suspend Parliament when they fear they will not succeed in what they want to do; who expel Conservative Members from the party, breaking the rules that they had passed; and who refuse to adopt their own code of conduct. Those are all symptoms of a failure to live the values of the seven principles. As my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) said, they should not just be on a dusty shelf; all of us should live and breathe them every day. Perhaps they should be up in gold leaf around the walls of Westminster Hall, the Chamber or Members' Lobby, so that they are always there in front of us.

This matters to people's faith in democracy. It matters if we want people to vote and have faith that their vote matters, and have faith in what it is they are voting for this time and next time—in all elections, not just to Parliament. They must have faith in their other elected representatives. It matters to the reputation of this country. We could have a debate on every single one of the Nolan principles—but that would take up the 90 minutes that we have been allowed for this debate today.

If we are not to undermine Parliament, our democracy and the reputation of this country, we must take action. My hon. Friend the Member for Rhondda (Chris Bryant) has made three serious, genuine proposals. Given his deep experience of the history of Parliament and his role in our Parliament now, we should listen and take action. As my hon. Friend the Member for Liverpool, Wavertree said, we have to do better by being better.

3.21 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): In a debate about the seven principles of public life, it is fair to preface my remarks by saying that the recent history of the Government has been at best tempestuous. That is the context within which this debate takes place. I will try to summarise what has brought us here today.

We know about the crony covid contracts and the illegal Prorogation of Parliament, but what probably touched the public far more deeply were the lockdown parties that the former Prime Minister knew nothing about. He then admitted he knew about them but did not attend. Then he admitted he attended but did not realise they were parties. This was a saga that pushed the credulity of the public beyond comprehension, and was beneath the dignity of the office of the Prime Minister.

Some Tory Members think we should all move on—it is in the past; let us forget about it. But there is no denying that people across the House of Commons and people across the UK, regardless of their political persuasion, felt by turns very angry, let down, betrayed and even mocked by the behaviour of a Prime Minister who told us we could not be with our loved ones. We were told to help prevent the spread of covid and to support the NHS. People, by and large, followed that advice—even when their loved ones were dying alone and even when loved ones were suffering with terrible loneliness. They followed that advice even when it was very difficult and distressing to do so, because they believed it was the right thing to do. To find that their Prime Minister so casually and so blatantly did not follow that advice—his advice—was very hard for many to bear.

I understand that we face a crisis in energy prices, a cost of living crisis, and deeply worrying levels of inflation, but truth and honesty when Prime Ministers take to the Dispatch Box in the House of Commons really matters. If leaders look people in the eye and say things to them that are not true, or if people feel that they simply cannot trust what the Prime Minister tells them, how much harder is it to govern and effectively lead through times of dark crisis? Now more than ever, people across the UK need leaders they can believe in. The legacy of partygate is that the office of the Prime Minister has been badly tarnished, and that is ultimately a threat to democracy itself. It seems to me that perhaps that is why we are even holding this debate.

There can be no doubt that the previous Prime Minister's tenure showed just how important the Nolan principles of selflessness, integrity, objectivity, accountability, openness and honesty truly are. Those principles underpin the survival of democracy itself. Standards in public life, the ministerial code and trust all matter.

This is not just about the impact of partygate. We have also witnessed attempts to rewrite the ministerial code, and declarations saying it would be “disproportionate” to require Ministers who breach the code to step down, and that it would be more in keeping to ask them to take a pay cut or make a public apology. Yet Lord Evans was clear in his report recommending reforms following a review of the ministerial code by the Committee on Standards in Public Life, which said:

“It is of paramount importance that Ministers give accurate and truthful information to Parliament.”

That is self-evidently true and should not be considered remotely controversial in any state that believes itself to be a democracy. And yet, chillingly, breaking international law was removed from the code in 2015. The section that read,

“the overarching duty on Ministers to comply with the law including international law and treaty obligations and to uphold the administration of justice and to protect the integrity of public life”

[Patricia Gibson]

was changed in 2015 to,

“the overarching duty on Ministers to comply with the law and to protect the integrity of public life.”

There can be only one reason why the commitment to comply with “international law” and “treaty obligations” was removed. Presumably the intention is, and was, to pick and choose what international law would be complied with. And what do we find? The then Northern Ireland Secretary, the right hon. Member for Great Yarmouth (Brandon Lewis), admitted to the House of Commons in a debate on the United Kingdom Internal Market Bill that it broke

“international law in a very specific and limited way.”—[*Official Report*, 8 September 2020; Vol. 679, c. 509.]

That allows Ministers to make regulations inconsistent with the UK’s obligations under the withdrawal agreement, laying the groundwork for more extensive breaches of international law and, importantly, seeking to insulate Ministers from judicial scrutiny at home.

Most extraordinarily, the provisions on international law and those on domestic law in the same Bill could have legal effect notwithstanding their incompatibility with

“any rule of international or domestic law whatsoever”.

This appears to be an attempt to oust the jurisdiction of the courts to review the legality of ministerial decisions under these powers at all.

We have a new Prime Minister and she must get a grip on the moral decay at the heart of Government. Lord Geidt left because he was put in the impossible position of having to arbitrate over flagrant law breaking. Of the four ethics advisers there have ever been, two have resigned under the tenure of the former Prime Minister—the same Prime Minister whose final honours list appears to be full of presents for cronies and pals, putting them into positions of lifetime peerages, unaccountable to the public while they scrutinise legislation.

How can we recover from this damaged trust and decay? It will not be easy but I believe it can be done. The new Prime Minister could do what her predecessor failed to do. Her predecessor refused to give the then Independent Adviser on Ministers’ Interests, Lord Geidt, the power to launch his own investigations, as requested by a number of ethics bodies, but the new Prime Minister could provide such power to independent standards advisers. At the moment, as we have heard, an independent investigation into whether the ministerial code has been breached can take place only if the Prime Minister approves it, and even then, the findings can be completely disregarded. That cannot be right.

But the fear that many of us have, as we have heard today, is that matters will not improve. The new Prime Minister has said that she may not appoint an ethics adviser, but that would be a terrible mistake. I understand that her reasoning is that it is not necessary as she has “always acted with integrity”, but even if we believe that and accept that argument, in politics perception matters. Sometimes in politics, perception is the only thing that matters. The perception will inevitably be that her stubborn refusal to appoint an ethics adviser, given recent history, means that it will be business as usual and it will do nothing to restore confidence in the idea that the principles of public life really matter to this Government. It will be a squandered opportunity

for the new Prime Minister, who was at the heart of her predecessor’s Government, if she fails to take a new broom and sweep away some of the dubious ethics of the previous leadership. Otherwise, as we all know, trust in politics and the business of government will continue to erode. That damages the very fabric of our society and the cohesiveness of our communities, and ultimately threatens democracy itself. That helps no one, benefits no one but harms everyone.

3.31 pm

Fleur Anderson (Putney) (Lab): Thank you for calling me to speak in this debate, Mr Twigg. I congratulate my hon. Friend the Member for Liverpool, Wavertree (Paula Barker) on securing it.

What an important debate this is to have on the first day of a new premiership. The timing could not be more appropriate. I share the disappointment of other Members that there are no Conservative Members here, except the Minister—I am glad to see her in her place—for this very fundamental debate. Shockwaves have just gone through our political system. The premiership has changed because of an erosion of standards, yet the Chamber is not absolutely packed. Conservative Members should be looking at themselves and the system, and making changes.

I hope the new Prime Minister and her team are watching and that this debate serves as a reminder that this House cares deeply about ethics and standards. Members have made some really fantastic speeches. I encourage anyone reading this in *Hansard* to go back and read the earlier speeches.

My hon. Friend the Member for Liverpool, Wavertree spoke about the erosion of trust in politicians caused by the scandals and sleaziness under the previous Prime Minister, and about the need for a new system to restore integrity. My hon. Friend the Member for Birkenhead (Mick Whitley) said that the new Prime Minister must make restoring trust and confidence in politicians a priority of her premiership—I agree.

My hon. Friend the Member for Batley and Spen (Kim Leadbeater) spoke about the link between standards in public life and the loss of faith in the political system, and about the seriousness of this debate and the need for respect for each other in this House. We must set an example here by upholding the highest standards, which will then be followed throughout the rest of the country.

My hon. Friend the Member for Rhondda (Chris Bryant) highlighted Ministers’ persistent failure to register interests on time and the opaqueness of the system, which goes against the principle of openness. Who is paying for freebies? Who is meeting Ministers? He spoke about the need for the Committee on Standards’ new code of conduct to be taken up, and I hope it will be next week.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) spoke about the importance of standards. I met the young people who came from Plymouth yesterday, and I was really struck by their integrity, openness, transparency and leadership, but I was disappointed to hear of their loss of faith in politicians, which is reflected across the country.

I have no idea how MPs are able to have a second job. Today is the 1,000th day since I was elected, and it has been really tough. Every day, I have been delighted to be a Member representing my constituency and standing

up in public life, but I do not know how I would fit anything else in. On the issue of Members' safety, people feel this is not a safe place to work and that causes them to count themselves out of standing to come to this place, and we lose an immense wealth of talent because of that.

My hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) highlighted the cronyism, the suspension of Parliament and a list of things that have happened to bring us to this debate. The failure to uphold standards and their undermining have meant that the system has lost public trust. This is a crisis.

When it comes to ethics and standards, and to trust, the Government need to be placed in special measures, and I hope to hear from the Minister about what special measures will be taken to bring us out of this system. Instead of the seven Nolan principles, we have seen scandals, bullying, back-covering and cronyism. We have seen poor behaviour by MPs acting with impunity. We have seen what is said in the House, and what happens in Downing Street, bringing us to this place. It breaks my heart when I stand on doorsteps every weekend and people say, "You're all the same." The undermining of the seven principles by some Members undermines us all and all the work done by decent MPs, and it allows improper influence to undermine our very democracy.

Because of all that has happened, it is no wonder that the former ethics adviser felt overworked. Government Members—not in Westminster Hall today, but elsewhere—will be quick to assert that the Prime Minister will turn over a new leaf and that we have a new moment and a break from the past, so that we can start afresh. Deep down, however, they know this is a fiction, because the Prime Minister propped up her disgraced predecessor as he misled the British public and corrupted Downing Street. The actions of the former Prime Minister cast a long shadow and, whether she likes it or not, the new Prime Minister is darkened by it. That is why action on standards, and explaining that action to make it transparent what changes are being made, is so important.

It is already clear that the Johnsonian tradition of believing that the rules do not apply to those at the top will be kept alive and well under the incoming Administration unless there are changes. Instead of pledging to restore standards in public life after years of Tory sleaze and scandal, the Prime Minister is threatening to trample all over them. During the leadership campaign, she was asked multiple times to commit to replacing the ethics adviser. At Prime Minister's questions earlier, her answer to one of the questions was a simple yes. That is what was needed for the question of whether she will appoint an ethics adviser. Her response should have been yes, but she did not commit to appointing an ethics adviser, which is extremely worrying. The Prime Minister has already appointed a whole new senior leadership team and political advisers, but an independent adviser on ministerial interests was conspicuously absent from the list. Like her predecessor, she seems to think she does not need one. To use her own words, that is a disgrace. If only the Prime Minister cared as much about standards in public life as she so evidently does about pork markets and cheese.

The incoming Prime Minister would do well to remember that it is because of her predecessor's disregard for the seven principles that she now finds herself with moving

vans outside No. 10. She should know, and I am sure she does know, that getting rid of the ethics adviser is a blank cheque for corruption. Corruption is a big word, but it does not arrive in any country or place of work with a big bang, saying, "Hello, I'm corruption." It creeps in unannounced, it corrodes and infects politics. It is about small decisions, larger ones and things that are done behind closed doors that are not known about. It is often small and unseen. It is insidious, and it infects slowly. That is why a line must be drawn and the system must be changed, because it is not working.

Senior civil servants are also worried, which matters for the whole delivery of Government. When the last ethics adviser resigned, Dave Penman, the general secretary of the FDA—the senior civil servants union—said that "confidence in the process has been severely damaged. If the prime minister does not intend to replace Lord Geidt, then he must immediately put in place measures to ensure a civil servant can, with confidence, raise a complaint about ministerial misconduct."

We cannot just leave a vacuum at the top. As pointed out by my hon. Friend the Member for Rhondda, the position of ethics adviser is not an optional extra. The ethics adviser performs a key administrative function that enables openness, honesty and transparency. With the post vacant, there is no one to whom new Members can give their full list of interests that may be thought to give rise to a conflict with a Minister's public duties. With whom will they register that? There is no one to investigate possible breaches of the ministerial code. There is no one to advise the Prime Minister on the code, which is a substantial and highly important document for upholding the seven principles, and there is no one to take up existing investigations.

Labour believes in the seven principles. When we are in Government, we will clean up politics by establishing an independent ethics and integrity commission to ensure the transparency and accountability that have been woefully lacking under the Conservatives. We would make appointments at speed, but we would go further. We have called for an expansion of the scope of the statutory register of lobbyists and a ban on MPs taking up lobbying jobs for five years after leaving office.

Not only does Labour believe in the Nolan principles, the public does, too. The former Secretary of State for Digital, Culture, Media and Sport, the right hon. Member for Mid Bedfordshire (Ms Dorries), said that voters don't "give a fig" about the ethics adviser. I hope that no new Ministers share that view because voters do give a fig. This is unacceptable. I would counsel the new Prime Minister and her Cabinet not to insult the British electorate by being complacent about standards. They do give a fig about honesty and integrity.

I will end by asking the Minister several important questions, which I have asked several times in different places but have never had a straight answer for. First, can she confirm whether ongoing investigations launched by the previous ethics adviser will now be completed? Can she confirm whether there will be an interim position or a role holder for the ethics adviser? Labour's motion to the House in June called for this replacement to be put in place within two months. It has been well over two months now, but no interim position or ethics adviser has been put in place. Has the Minister spoken with the new Prime Minister about what she plans to do with the role? I am sure the Prime Minister has been very busy, but this is a high priority. Is she aware of the

[Fleur Anderson]

key accountability functions not being performed because there is no adviser, and how outdated is the record of ministerial interests now? Who is holding Ministers to account in the interim?

With no ethics adviser and no obvious backstop in place, Ministers are free to do as they please without consequence. It is a blank cheque for bad behaviour. It is a bad start for the new Administration. It may be an attractive position for the Government, who have always found the rules to be incredibly inconvenient, but it is not attractive or acceptable to the British public. The seven principles of public life have been the cornerstone of our democracy for 25 years. There was a time when they were treated as sacrosanct by all Prime Ministers, Ministers and Governments—whether Labour or Conservative—because those seven principles are British principles.

The public do not ask for much from us—well, not all the time. They do not ask for perfection in their politicians, but they rightly expect that we act in the public's interests at all times and never in our personal interests. It is that simple. Labour understands this. This is a time for a reset on public standards. I hope to hear from the Minister about—that word—delivery. The Government must deliver not only an effective system that stops power corrupting, but one that inspires and sets the best example to the country of action in public life.

Derek Twigg (in the Chair): Before I call the Minister, I remind her to leave a few minutes at the end for the hon. Member for Liverpool, Wavertree (Paula Barker) to wind up.

3.43 pm

The Parliamentary Secretary, Cabinet Office (Mrs Heather Wheeler): It is a pleasure to serve under your chairmanship, Mr Twigg. I am grateful for the opportunity to debate this important and timely topic. I particularly thank the hon. Member for Liverpool, Wavertree (Paula Barker) for requesting the debate and express my gratitude to the hon. and right hon. Members present for their active participation.

The standards to which public servants in the United Kingdom, including those who serve in political life, are appropriately held are highly regarded across the world. The bedrock of those standards is formed, as we have heard many hon. Members say, by the seven principles of public life established by Lord Nolan in 1995. The principles—selflessness, integrity, objectivity, accountability, openness, honesty and leadership—are woven into the codes of conduct for Members of the House and those in the other place. They are also central to the ministerial code, which sets the standards of behaviour expected of those who serve in Her Majesty's Government. The seven principles, as we have heard, apply much more widely, such as to civil servants, those in local government and across public life.

Today's contributions have made clear the importance of the seven principles to all of us. They form a touchstone to which we return and a benchmark against which we judge our actions. When we make those judgments, there will, of course, be times when we fall short. We cannot be complacent about that. Applying and upholding

the principles is not a passive undertaking. It requires collective vigilance, self-assessment and willingness to learn and be held to account. That can be uncomfortable, but it is essential.

I shall try to answer as many of the points and questions raised in the debate as I can. The Government have been considering the “Standards Matter 2” report of the Committee on Standards in Public Life alongside Nigel Boardman's report on the use of supply chain finance in Government. As set out in the written statement on 15 July 2022, a number of changes have been made in response to those reports. For example, in June 2022, new guidance was issued on the declaration and management of outside interests in the civil service. The Government have also implemented Nigel Boardman's recommendations on Government contracts and the use of supply chain finance in Government. In May 2022, reforms were made to the role and remit of the Independent Adviser on Ministers' Interests in response to recommendations by the Committee on Standards in Public Life.

The Government are also taking action to improve the enforcement of the business appointment rules. Mechanisms are now in place for breaches of the rules to be taken into account in the award of honours. Agreement on a similar approach is also being sought with the independent House of Lords Appointment Commission. The Government are now considering how to implement the same approach in relation to public appointments. Alongside this, the Government are considering consequences for prospective employers, including through the procurement process. Work on further reforms continues and will be informed by the new Prime Minister.

Please be in no doubt that the Government remain fully committed to ensuring that all Ministers, including the Prime Minister, are held to account for maintaining high standards of behaviour and behaving in a way that upholds the highest standards of propriety, as the public rightly expect. The ministerial code lays that out. In the absence of an independent adviser, permanent secretaries carry out the process of reviewing Ministers' interests, advised by the Cabinet Office. Correcting the points from the right hon. Member for Rhondda (Chris Bryant) and the shadow Minister, the hon. Member for Putney (Fleur Anderson), it is actually the duty of the permanent secretary to carry out that work in the absence of the independent adviser.

The Prime Minister is currently dealing with a number of pressing issues, as Members might imagine, and has not been in post long enough to turn her attention to this matter yet. However, it is important and she will do so as quickly as she is able. We have heard many Members quoting the Prime Minister, from the hustings and so on, as saying that she is not appointing an independent adviser.

Chris Bryant: One of the difficulties of it all being done by the permanent secretary is that if—let us say, for the sake of argument—a Secretary of State was accused by a permanent secretary of bullying them, how then could the Government Minister simply turn to the permanent secretary for advice on adherence or otherwise to the ministerial code? That is why we need an independent adviser on the ministerial code. It cannot simply be reporting to permanent secretaries. Under the

system the Minister has just outlined, there is no means for any of this becoming public. Permanent secretaries cannot publish it. The only person who can publish it is the independent adviser on the ministerial code.

Mrs Wheeler: The head of the civil service can take the role of looking after issues like that when there is a clash between a senior Government Minister and their permanent secretary. The Prime Minister said that she was “not necessarily saying” that she would not appoint an independent adviser, but that

“the leadership needs to take responsibility. You cannot outsource ethics to an adviser. We need ethics running through the Government. The culture of organisations starts at the top and that’s what’s important to me.”

In response to the right hon. Member for Rhondda, again, the appointment of the next independent adviser and the terms of their appointment are matters for the new Prime Minister. In the light of the resignation of the former independent adviser and the comments made by Lord Geidt and the Public Administration and Constitutional Affairs Committee at the time, the Government felt it was right to reflect and consider the way in which that independent adviser’s role was delivered, particularly given the increased scrutiny of the role. The independent adviser is a personal adviser to the Prime Minister, and it is an appointment on a five-year term. It is therefore right that the appointment is made by the new Prime Minister, and that some time is allowed for the Prime Minister to consider next steps in this key role. It is for the Prime Minister to confirm how this function will be undertaken and to consider the available options.

Chris Bryant: Will the Minister allow me to intervene again?

Mrs Wheeler: Very briefly.

Chris Bryant: I am not right honourable, by the way—[*Interruption.*] It is an outrage, I know—the country can hardly continue.

This is an important point; when will we see the first list of ministerial financial interests published for this new Government?

Mrs Wheeler: I am afraid the hon. Gentleman will have to wait and see. The handling of interests in the interim—the process of managing interests—continues in line with the ministerial code. The code sets out that the permanent secretary in each Department can provide advice to Ministers, and plays a role in scrutinising interests. The Cabinet Office also provides that advice, and the Government’s publication of transparency information also continues unaffected. Interestingly, the hon. Gentleman mentioned 362 pieces of transparency; in fact, there have been 4,568 transparency releases on the gov.uk platform since the pandemic was declared—more than 10 times the number the hon. Gentleman mentioned.

Chris Bryant: I was referring to the ministerial transparency documents. In order to find out what financial interests Ministers have, we have to look at more than 300 documents; it should be one document, so that everybody can look at it easily.

Mrs Wheeler: Thank you for that insightful comment. As the hon. Member for Brentford and Isleworth mentioned councils and corruption, I suggest that she look at Sandwell Council and the process of awarding contracts as an example of a lack of transparency and process.

Ruth Cadbury: I am not saying that every council is perfect; I am saying that a process is used in local government. I do not know the details of the Sandwell example, but such things are the exception to the vast majority of local governments and councillors in the UK. I know how the mechanisms work from my 25 years of experience as a councillor, although some of that was before the Nolan principles came in, and I know that there is little leeway for elected councillors.

Mrs Wheeler: I suggest that the hon. Lady look at the Sandwell case.

As for gatherings and investigations, the Government asked the country to make extraordinary sacrifices, and as the former Prime Minister, my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) said, he has taken personal responsibility, acknowledging people’s anger and hurt and offering a full and unreserved apology for the mistakes made, and he has left office. Any investigations that were not completed by Lord Geidt prior to his resignation will remain outstanding. Members will appreciate that the Prime Minister has just been appointed, so decisions on matters relating to the independent adviser will be taken in due course.

I will finish in order to leave time for the hon. Member for Liverpool, Wavertree. The Government continue to hold public standards in the highest importance, and places the seven principles of public life at the foundation of ethical conduct and integrity. The Prime Minister is fully committed to ensuring all Ministers are held to account to maintain high standards of behaviour, and to behaving in a way that upholds the highest standards of propriety, as the public rightly expect. As part of this commitment, we continue to carefully consider the recommendations of the Committee on Standards in Public Life and others, and we will be updating the House on this work in due course.

3.53 pm

Paula Barker: I thank the Minister for allowing me time to sum up, and all colleagues for their excellent speeches. We have heard lots of information today, and I want to touch on a couple of issues. We heard from my hon. Friend the Member for Putney (Fleur Anderson), the shadow Minister, that the public do care about the Nolan principles. We heard from my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) that our system is broken, not because of neglect but because of deliberate decisions to break it. We heard from my hon. Friend the Member for Rhondda (Chris Bryant) about the importance of an independent adviser, and how that should be a statutory post.

The hon. Member for North Ayrshire and Arran (Patricia Gibson) talked about how perception matters in politics. I say to the Minister that perception does matter; the Nolan principles do matter. I would be grateful to the Minister if she could report back to the Prime Minister the disappointment from this side of the Chamber that no Conservative Back Benchers spoke in

[Paula Barker]

this debate, because it is incredibly important. Could she also convey to the Prime Minister that perception does matter and the Nolan principles matter?

It does not matter that the Prime Minister says that she will uphold them, and that she has integrity; she must demonstrate that by appointing an independent adviser. I am not saying that the Prime Minister is not going to uphold the principles. My point is that we had, in the former Prime Minister, someone who did not observe those principles. Quite frankly, that is not good enough for the public that we all seek to serve.

Question put and agreed to.

Resolved,

That this House has considered the Seven Principles of Public Life.

NHS Dentistry Services: Carshalton and Wallington

3.58 pm

Elliot Colburn (Carshalton and Wallington) (Con): I beg to move,

That this House has considered NHS dentistry services in Carshalton and Wallington.

It is a pleasure to serve under your chairmanship, Mr Twigg. I start by paying tribute to the incredibly hard-working dentistry professionals in Carshalton and Wallington, and around the UK, many of whom dealt with extremely difficult circumstances over the pandemic. They were some of the, I think, unfairly less applauded heroes of the NHS and our healthcare system during those dark days. I want to make it clear from the outset that the concerns I will raise during this debate are not aimed at the professionals, but rather at the system at large. They are concerns that have been shared with me by local NHS dental professionals in Carshalton and Wallington.

It is a well-known saying from the 19th century that a quarter of all human misery is toothache. The modern equivalent for many residents in Carshalton and Wallington is trying to get an appointment to treat said toothache. Dozens of my constituents have been in contact with me recently to raise concerns about accessing an NHS dentist.

Those concerns broadly fit into four main categories. The first is access to NHS dental services as a whole, from all patients—including those who are registered with a practice. The second is the often huge waiting list to register with an NHS dentist. The third is the removal of some patients from the NHS register due to their understandable lack of using services as much since the first covid-19 restrictions were brought into place in spring 2020. The fourth is the cost of purchasing private dental healthcare in order to gain access to treatment when trying to go through an NHS dentist has failed.

NHS figures released this year have found that a quarter of all people who attempted to get an NHS appointment did not succeed. Of those who were new patients, or at least had not had an appointment in over two years, the figure shoots up to almost 75%—almost three in four new patients are unable to get an appointment. A HealthWatch report published in December 2021 showed that seven of the NHS's 42 integrated care systems were reporting that they had no practices at all taking on new NHS patients. Of course, visits to the dentist did drop over the pandemic, and that was understandable. However, the percentage of the population recently seen by a dentist has been slowly falling for several years. The Care Quality Commission has stated that the core of this problem originated before the pandemic hit.

The long-term impact of decreasing access to NHS dentists should not be underestimated. Without regular and easily accessible dental treatment, smaller issues can grow into greater ones. That puts a greater strain on the healthcare service as a whole—not just on dentistry—including an increase in patients turning to A&E for urgent oral health problems that were not treated by NHS dental services earlier in the process. Many patients who have been treated for mouth cancer or diabetes, for example, were first diagnosed, or at least had symptoms

highlighted, by dental professionals. These patients have much higher survival rates if these issues are caught earlier on.

As we continue to try and help our constituents through the storm of the cost of living crisis and of building back a better national health service, we are heading into a winter of huge energy price rises and inflation as a consequence of Putin's war in Ukraine and of the pandemic. It is even more important to ensure that dental care can be received on the NHS.

The cost of NHS dental treatment to the patient starts at around £23.80, with the most expensive band of treatment capped at £282.80. However, if a patient takes a private route, they can expect this pricing to significantly multiply. I am not just talking about a few extra quid here or there; for complex treatment such as extractions, we are looking at hundreds of pounds when done privately. There are no set limits on what practices can charge for private dental treatment, and prices will of course vary from practice to practice. Such extra financial burdens on people during the current economic crisis is unrealistic.

Unfortunately, difficulty in accessing NHS dental treatment has led to some worrying reports of dental DIY, with people turning to extracting teeth at home using household items and tools. In fact, reports of DIY dentistry in England and Wales have not just been reported by the media here in the UK, but have made it worldwide. Such practices are not only bad for those committing the DIY dentistry, but put greater strain on the whole public healthcare system when they inevitably go wrong.

However, financial issues are not just limited to patients. According to local dentists, many concerns about access to NHS dental care are a result of the financial implications of the system in which dental practitioners operate. Dental practices are essentially small business, but they operate in a strict top-down system.

Since 2006, dental contracts have required dentists to complete a set number of units of dental activity, or UDAs. Treatments are assigned to a band based on complexity and urgency, and each band is given a UDA value. A course of treatment is assigned to one UDA value based on the most complex element rather than the number of different treatments involved. That means that treatment to fit one crown is assigned the same number of UDAs as the treatment to fit eight crowns. That makes it impossible for many practices to make ends meet from NHS contracts, particularly during the current economic climate.

Furthermore, dental contracts in England and Wales are based on NHS dentistry providers performing an agreed number of UDAs a year. This means that if the target number of UDAs is not met, the contracts provide for a clawback, also known as a fine. If the target is reached, patients must be sent elsewhere or else wait for a new quota. The system is almost universally criticised by dental practitioners. A 2022 survey by the British Dental Association found that 82% of practices have reported unfilled vacancies and cited the current contract as the key barrier to filling posts. The Government are of course aware of this and have described the current dental contract as the nub of the problem. I welcome the new Health Secretary's ABCD approach—ambulances, backlogs, care, doctors and dentists—and was pleased that it specifically mentions dentists, because they sometimes feel like they have been forgotten.

The Government have also described the contract as “a perverse disincentive” for dentists to carry out NHS work, but despite attempts to review and reform the dental contract since its introduction in 2006, it remained largely unchanged until the reforms announced in July. Those problems have obviously only intensified since the covid-19 pandemic, and the BDA estimates that over 38 million dental appointments were missed as a result. That has had a huge knock-on effect, which the industry is still trying to deal with. I am pleased that the Government announced an additional £50 million in funding for dentistry in January to help with the backlog. However, the impact of the pandemic has only mixed with the pre-existing contractual problems to create a perfect storm in dental care, which will take greater work to correct.

The Government do seem to be taking steps in the right direction, and I welcome that progress. The Government's announcement in July of proposed changes to the system is very welcome—the Minister will tell me if I am wrong, but as I understand it, they will mean NHS dentists being paid more for treating more complex cases, such as those who need multiple fillings. Dentists will now receive five UDAs for treating three or more teeth, an increase on the current level of three UDAs, which was applied to any number of teeth. Higher-performing dental practices will also have the opportunity to increase their activity by a further 10% to see as many patients as possible. That will help to address some of the concerns with the current UDA inconsistencies and their financial impact.

However, there are fears in the industry that the reforms will not go far enough to address—if you will pardon the pun, Mr Twigg—the root cause of the problem in dental care. The BDA has suggested that the UDA system is fundamentally flawed and needs a complete overhaul rather than slight improvements, which, although helpful, will have little impact on practices and patients in the majority of cases.

For many of my constituents, accessing NHS dental care can be like pulling teeth. I am incredibly proud of the Government's record on healthcare and the NHS, and I look forward to working with the new ministerial team at the Department of Health and Social Care not just to deliver for NHS dentists, but to deliver the new £500 million hospital in my borough and improvements to St Helier.

When it comes to dental care, there needs to be greater consideration of the fundamentals of the system that need reform, in order to improve NHS dental care. There are long-standing system-led issues that span multiple Governments and multiple parties. The recent improvements are greatly welcomed, but I hope that the Minister will outline what further steps the Government can take to address the crux of the matter, which is affecting many residents in Carshalton and Wallington.

4.7 pm

The Parliamentary Under-Secretary of State for Health and Social Care (James Morris): It is a pleasure to serve under your chairmanship, Mr Twigg.

I congratulate my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) on securing this important debate on dentistry. I recognise the scale of the challenge that he described and we are committed to addressing the challenges of NHS dentistry. Those

[James Morris]

challenges continue to be real across the country, but, as he remarked, we have taken steps to address these issues. We are committed to improving dental access and making NHS dentistry a more attractive place for dentists and their teams to work.

I appreciate that access to NHS dentistry varies across the country, as my hon. Friend described, and that access was a big issue before the covid-19 pandemic. However, the pandemic further exacerbated those challenges, as we had to reduce the amount of care delivered, in line with the infection prevention and control measures that were introduced at that time. The activity thresholds for NHS dentistry were carefully set at that time by NHS England, and balanced access for patients against necessary infection prevention and control measures. At that time, dental practices were asked to prioritise urgent care and care for vulnerable groups, supported by over 700 urgent dental care centres, of which I think there are a number in his constituency.

Services have gradually been returning to normal levels, and I am pleased to say that in July 2022 NHS England asked dental and orthodontic practices to return to full delivery—that is, 100% of their contracted activity. The sector has worked hard to deliver as much NHS activity as it can, with many contractors already delivering 100% or more of their contracted activity for some time. As my hon. Friend mentioned, at the start of this year an additional £50 million was secured and made available for NHS dental services, to support the dental access challenges further and to provide patients with more dental appointments. That additional funding supported NHS dental teams in increasing capacity and giving more people access to vital dental care across England.

Those most in need of urgent dental treatment, including vulnerable groups and children, were prioritised for the additional available appointments that were made possible through that funding, with a third of activities being provided at the weekend and outside core hours. That funding meant that those with higher level of need were seen, with over two thirds of treatments being for the provision of urgent care. More than 64,000 additional patients were seen. I would like to pay tribute, as did my hon. Friend, to all the staff at dental practices and community dental services who went above and beyond to provide this extra care for patients.

We are beginning to see some improvements in NHS dentistry as we recover from the pandemic. The most recent NHS dental statistics report, published a few weeks ago, showed delivery of more than double the number of courses of treatment, compared with the previous year, an additional 539 dentists returning to NHS dentistry and an increase in preventative care provided to children.

As my hon. Friend said, it is clear we need to go further. We are pressing ahead with the package of measures that he alluded to, which we announced on 19 July. To go ahead with the dental reform package was one of the first decisions that I took as a Minister. We worked closely with NHS England, which negotiated with the British Dental Association, and engaged with many other stakeholders on these improvements. The changes include improving the criticised 2006 NHS dental contract to ensure that practices are more fairly

remunerated for the care they provide to patients, and enabling practices to make better use of the range of dental care professionals in a practice.

We want to see all members of the team, including therapists, nurses and hygienists working their full scope in a practice, which will make it easier for more people to access care. Practices will be supported to adhere more closely to the National Institute for Health and Care Excellence guidelines on recall intervals, which indicate that a healthy adult with good oral health need see a dentist only every two years, and a child every one year. That will free up capacity to deliver additional care required by higher need patients.

The changes that were also alluded to will also enable NHS commissioners to have greater flexibility in commissioning additional services to meet local need and will enable improved and more responsive management of those contracts. The highest performing practices will be able to deliver beyond their contract and treat more patients.

We will also improve information for patients who are looking for care, which is why we will make it a requirement for dentists to update their information on the NHS website. In addition to those changes, which will increase dental access and recruitment and retention of the dental workforce, Health Education England is working to implement recommendations from its recent 2021 “Advancing Dental Care Review” as part of its four-year dental education and reform programme.

The aim of that work is to develop a skilled, multi-professional oral health workforce, more able to support patient and population needs within the NHS, by reforming dental education and training. The programme will help address inequalities in dental care access across the country, better targeting areas that are currently less well served.

We know that international dentists are a vital part of the UK’s dentistry workforce. To improve the recruitment of overseas dentists and to ensure that international dentists remain a vital part of our workforce, we are currently working with the General Dental Council on legislative proposals that will allow the regulator greater flexibility to expand the registration options open to international dentists. The changes will support alternative routes to the overseas registration exam where appropriate, as well as expand access to the exams.

We aim to introduce the legislative changes this year, subject to the outcome of the recent consultation on the parliamentary approval process. In the meantime, current arrangements ensure that UK regulators continue automatically to recognise relevant qualifications of dentists from the European economic area, and we want to continue to facilitate their vital contribution to the dentistry workforce.

I want to emphasise that the reforms that we introduced on 19 July are one step. I and the Government recognise that they are a first step in a reform programme. In the longer term, we are looking at committing to improve access to urgent care and at the necessity of further workforce and payment reform. We will continue to work with NHS England and the dental sector to consider what further long-term changes may be necessary.

Question put and agreed to.

4.16 pm

Sitting suspended.

Liverpool Port Access: Rimrose Valley

4.30 pm

Peter Dowd (Bootle) (Lab): I beg to move,

That this House has considered Rimrose Valley and Liverpool Port Access.

It is a real pleasure to see you in the Chair, Mr Twigg. I am pleased that I have managed to secure this debate; I have been applying for it for some months now. I did not have to bribe Mr Speaker or any of the officers—it was definitely legitimate.

This issue is a matter of considerable local interest. In fact, a number of my constituents and those of my hon. Friend the Member for Sefton Central (Bill Esterson) are in the Public Gallery to listen to the debate. They are here representing not just themselves as individuals and friends of Rimrose Valley, but many thousands of people across my constituency and that of my hon. Friend. In short, if National Highways gets its way, it will plough a major road through Rimrose Valley, which is the only significant area of green space left in my constituency. It is a healthy lung that serves my constituents well, and National Highways should keep its hands off it. To be blunt, I think National Highways should do its job properly and produce a scheme that will achieve the goals that so many of us, including the Government, want.

It is easy for me to speak on this matter. I have in one way or another dealt with this issue about access to the port for more years than I care to mention. As a child, a significant part of the area was still in agricultural use at the eastern end, bordered on one side by the Leeds to Liverpool canal. I even remember the remains of a piggery on the site with the troughs still in place. For a child moving from back-to-back housing—very poor housing in Bootle—to an area that had green fields on the doorstep was fantastic. I reminisce, but I am making the point that we have to protect those areas of green as best as we possibly can.

I thought it best if I sought out a view from the people who have been involved in this issue perhaps not as long as I have been. In other words, I wanted a fresh perspective from others who perhaps do not have a history on this matter, as I do. Perhaps my judgment is clouded and a fresh perspective would help, so I asked a representative of the friends of Rimrose Valley for a few comments and observations, and I completely accept that other views are available. I do not decry those other perspectives, but this is a particular perspective and it is these views and observations that will inform much of what I say in the next 10 minutes or so.

Rimrose Valley is the last remaining space of its kind in a heavily urbanised and industrialised part of South Sefton—which is, in effect, north Liverpool—made up of wild and semi-wild “countryside in our community”. Given his relatively local antecedents, the Minister will be broadly aware of the geography, and I suspect he will have often been able to view the area, if only from across the Mersey at a little distance. The space is essential for community cohesion, linking families and friends for generations. I touched on that earlier when sharing my own experience. It is part of our local heritage. It provides a safe, clean and green commuter route for schoolchildren. The park is surrounded by dozens of primary and secondary schools and nurseries.

It is an active travel corridor for people travelling to and from places of work. It helps to remove unnecessary car journeys, especially at peak times, and it offers a vital habitat to a huge diversity of wildlife, including protected species such as barn owls, bats, water voles and a vast array of birds and pollinators.

Margaret Greenwood (Wirral West) (Lab): My hon. Friend is making an excellent speech on behalf of his constituents. As he says, looking after wildlife is important because we know that nature needs to be supported. Under measures in the Levelling-up and Regeneration Bill, the Government want to remove the requirement for environmental impact assessments and strategic environmental impact assessments, which have been vital for protecting sites of local, national and international environmental importance for decades, and replace them with environmental outcome reports. However, shockingly the Government have not given any indication of how those environmental outcome reports will work on the ground. Does my hon. Friend agree that it is absolutely vital that the Government do not undermine vital existing protections for nature-rich sites, precious green spaces close to urban environments and the green belt, and that they must be held to account on that matter?

Peter Dowd: I agree. It is really important that we ensure that as much of our local habitat—our local green spaces—is maintained as possible. I am sure the Government recognise that, and as we go through the Committee stage for that Bill, those issues will be teased out and we will seek assurances from them about their intentions. It is crucial that we do that, and I thank my hon. Friend for raising that issue. All these matters, including transport issues and the environment, are inextricably linked.

Those areas cannot simply be relocated. A field cannot be picked up and moved somewhere else. It does not work like that, because it has taken centuries and maybe longer to get to that particular situation. Rimrose Valley is called that because Rimrose brook goes through it, and it has obviously been there for thousands of years.

Rimrose Valley also offers respite from the pollution generated by port traffic on the surrounding roads. Residents who have lived next to the port have a life expectancy of 12 years less than those who live just a mile away. South Sefton already experiences some of the worst air quality in the United Kingdom, and the road proposal would compound that and negatively impact on people’s health and wellbeing. It would shorten lives and affect children and older people disproportionately.

Rimrose Valley offers space to improve physical health, with ramblers, running clubs and football clubs all using the park and surrounding spaces regularly. It maintains a good level of fitness for people, which of course alleviates pressure on the NHS. That is another part of the inextricable link between all these issues. It offers a place to go to improve mental health. Many local doctors and support organisations now practise social prescribing as a free and natural alternative or supplement to medication, which also takes pressure off our NHS.

Bill Esterson (Sefton Central) (Lab): I congratulate my hon. Friend on securing this debate on such an important topic. Rimrose Valley is shared between our

[Bill Esterson]

constituencies, and our constituents enjoy its value. He is talking about air quality and public health, and I remind him that 40,000 deaths per year are linked to poor air quality and subsequent breathing-relating illnesses. Does he agree that the Government's own public health goals say that such issues should be tackled urgently, and that the Department for Transport, by pursuing this option of a polluting road, is at odds with the Government's own stated policy objectives of saving lives through improving air quality?

Peter Dowd: My hon. Friend has hit the nail on the head. We want to ensure that air quality is as good as it can possibly and practically be, given the set of circumstances. It is the role of us all, including the Government, to maintain that. I will touch on that later, but it is a very important point. I repeat that all these themes are inextricably linked.

Rimrose Valley was a lifeline for the thousands of people surrounding it during the covid-19 pandemic and the lockdown restrictions. It was a huge asset to the community during that time. Many homes around there do not have the luxury of a garden or a yard, so large public green spaces were essential. We all know that that is what the Victorians recognised—they certainly did in Liverpool, Birkenhead and such places. They built massive parks to ensure that people could get out, have a walk, enjoy themselves and get some respite from the places where they may have lived or the work that they may have done. There is a tradition in Britain of having large, open spaces, especially in some of the bigger cities, such as Liverpool.

Nearby communities were severed in two—I am reminiscing again—when another National Highways road, the A5036 trunk road, was built in the 1970s. Known as Princess Way, it is closer to the docks, and communities have never recovered from it. The proposed route would compound their misery, as the two roads would feed into that section of the road, splitting the community yet again. It is a case of history repeating itself, with absolutely no lessons learned or care for the potential damage caused. It is a “computer says no” approach to road planning.

The proven theory of induced demand shows that building more roads stimulates more traffic and does not necessarily tackle the underlying problems. To some extent, we have seen that locally with the bypass at Broom's Cross, which alleviated congestion temporarily but is now another congested road at peak times. This is not about being anti-road or nimbyism; it is about ensuring that due diligence is undertaken when any project of this nature is proposed. I know that the Minister will be well aware of that, given the schemes in his own constituency.

Let us move on to the issue of the port of Liverpool, which is the elephant in the room—and it is a particularly large elephant. The port of Liverpool has been permitted an expansion, with little thought given to the infrastructure needed to support it. If there is to be an expansion, rightly or wrongly—I do not judge that at the moment; it is not for me to make that judgment—let us at least have the foresight to ensure that the environmental impact on communities is a significant factor in the design of any scheme that seeks to accommodate it. We

do not want retrofitting, but if we are going to have a retrofit, it has to be proper and appropriate. As my hon. Friend the Member for Sefton Central has touched on, decades of activity have had a negative impact on surrounding communities, with increased air pollution from heavy goods vehicles and ships at the port. Additionally, the port generates noise and light pollution, which is a blight on citizens who live alongside the port. We have to mitigate that as much as possible.

Despite the port owner's claims that it is neutral about the type of port access scheme or project, a freedom of information request submitted by campaigners reveals that the Peel Ports Group has “worked tirelessly” with National Highways in the lead-up to the project being announced. It has a vested interest. I am not criticising that, but it would perhaps be one of proposal's bigger beneficiaries and, whether we like it or not, many people are asking how it can be right that a private company potentially gets to determine or have a massive say in how public money is spent. If there is to be a port expansion, let us make sure that an access project to the port is as environmentally friendly as practically possible. This is not about being anti-business; it is about balancing the needs of the various interested parties. That balance has not been met, and the environmental impact is being felt by the local community of thousands of people.

The road proposal conflicts with the Government's own policies. Let us take the climate emergency as an example. The transport sector is the single biggest contributor to climate-wrecking CO₂ emissions in the UK. It is the only sector that has seen emissions go up, not down. CO₂ emissions stem from both the construction and subsequent use of roads. In my view and that of many other people, the project would be used to support port-related HGV traffic—the worst polluters on our roads—without a real assessment of alternatives that are as sustainable as they are practical.

Judith Cummins (Bradford South) (Lab): On that point about wider issues to do with transport funding, does my hon. Friend agree that there seems to be a lack of equity in transport funding across the country? I am thinking of my own patch in particular. Bradford is not included in the Northern Powerhouse Rail; we are without full station access. Does he think that this a problem throughout the nation?

Peter Dowd: I am pleased that my hon. Friend raises this issue. She has spoken many times on transport issues and, to be frank, she really does now what she is talking about. I may come to that issue later, and I am pleased that she has highlighted it.

The issue of pollution flies in the face of the climate emergency declaration. It is apposite that my hon. Friend the Member for Sefton Central has noted the public health crisis in air quality. He referred to 40,000 deaths a year and related illnesses. Public Health England has said that that needs to be tackled. Protection of green spaces is seen as vital, and the Government's own 25-year environment plan sets out targets, yet in certain situations National Highways is, in my view, ignoring those objectives.

On levelling up, the north receives on average about seven times less expenditure per capita than the south. If the Government are serious about levelling up, they

need to reflect that in projects such as this and give the community the budget it needs to do the job. That is the point that my hon. Friend the Member for Bradford South (Judith Cummins) is making.

Bill Esterson: My hon. Friend and my hon. Friend the Member for Bradford South (Judith Cummins) have both pointed out the importance of levelling up and investing in transport across the nation. Given that this is a strategically important link, should not it be done with the longer term in mind, including climate objectives and ensuring that freight can travel as effectively as possible? That means providing alternatives to roads. The problem is that if we put more lorries on the roads, we will slow down delivery times and also deliver a less effective solution to the challenge of how we move goods around the country.

Peter Dowd: That is a perfectly fair analysis and assessment of the current situation. The mid-range cost of the proposal would be about £250 million. That is for just less than a 5 mile route, so it works out at about £50 million a mile. In relation to the point raised by my hon. Friend the Member for Bradford South, the lower Thames reach crossing is now estimated to cost £8.2 billion, which works out at about £364 million per mile, including a tunnel. That is over seven times the per-mile cost that National Highways plans to spend on the Rimrose Valley road. However, the Rimrose Valley tunnel option was brushed aside as too expensive.

Turning to the conduct of National Highways, to date the organisation has told people that their homes would be safe, then issued the threat of compulsory purchase orders on homes and businesses. It withheld information on the environmental impact of the scheme from the public during the first consultation, thereby making an informed decision impossible. It has created divisions between communities in selecting the options it presented to the public. It ignored the outcome of its own public consultation, often in favour of the route that had the least support. In my view, and that of many other people, National Highways misled the public, claiming that a court ruled in favour of its preferred route, when actually it did not. It ignored the needs of those living alongside Princess Way—the road I referred to earlier, which is an extension of the A5036 and part of that corridor—with absolutely no mitigation. It ignored the Government and Sefton Council's declaration of climate emergency by promoting yet another polluting road. It gave less than two weeks' notice for public information events and sent newsletters to our schools, so that pupils could deliver National Highways' messages. It also refused multiple freedom of information requests on dealing with private companies.

What about support for the proposal? The local authority, myself, and my parliamentary neighbour, my hon. Friend the Member for Sefton Central, strongly opposed the scheme. Recently, Metro Mayor Steve Rotherham called for better alternatives to be explored—we have all called for that. The council had a judicial review in 2008 and has not ruled out further legal action.

Public opposition—the “Save Rimrose Valley” campaign—is backed by thousands of local citizens demanding a better outcome. The amount of people involved is remarkable. There are effectively festivals—thousands of people coming to Rimrose Valley—organised

by Rimrose Valley Friends. I pay tribute to the hard work of those people. The campaign is backed other leading organisations, including Friends of the Earth, Wildlife Trusts, CPRE, the countryside charity, and Transport Action Network. The campaign is calling for the road proposal to be cancelled with immediate effect and for non-road sustainable solutions to the movement of goods in and out of the port of Liverpool, removing as many HGVs as possible from the existing road. That includes investment in rail freight, which goes to and from the port but is pretty negligible in the grand order of things. Of course, Network Rail has not even been missing in action; it has just been missing in this situation.

Pursuing the innovative solutions in the Sefton Council and Arup report is an option. It says not, “This, that or the other should happen,” but, “Here are the options; let's properly explore those options.” Public health and wellbeing should be paramount in all local, regional and national transport and infrastructure decisions affecting our communities. I know the Minister acknowledges that.

The campaign calls for action to address the climate emergency, with all transport investment in Sefton contributing to a reduction in carbon dioxide emissions to help reach the Government's own legal targets. The implementation of bold transport policies across Sefton and the wider city region, including proper investment in active travel and clean and affordable public transport, is called for.

The port of Liverpool is part of the make-up of the community. It exists. That cannot be ignored; it will not go away. It is a player alongside other players that are part of that Mersey Maritime group, as is the community. It is a symbiotic relationship and a partnership. It is not one telling the other what to do. I hope those players take part in that community and partnership effort on this project.

After all, the needs of people in the community are just as important as the needs of any company. Rimrose Valley, and other green spaces in our region, need to be protected from future developments that damage the integrity of our environment. The people of the communities along that corridor need to be assured that the price of port expansion will be paid. The people along the Church Road route, who have suffered for many years, need some succour—they need help and assistance. Building an alternative road in the valley is not the answer.

If that needs more mileage investment, so to speak—on the equivalent scale of the lower Thames reach, which I referred to before; Crossrail, which cost the best part of £260 million a mile; Crossrail 2, with a proposed £530 million a mile, although it might be more; the Stonehenge tunnel at £1.7 billion for just 2.5 miles, or £680 million a mile—so be it. I do not object to any of those projects. Other people might, but I do not. Those projects were important for those areas and they deserve that level of funding. My community is entitled, as is every other community, to a fair share of the transport budget.

In conclusion, we do not want a second-rate solution to a problem not of our community's making. We want a first-class response to our real concerns, and I hope that the Minister, who I know takes these issues seriously, will give us that response.

4.54 pm

Mike Kane (Wythenshawe and Sale East) (Lab): It is a pleasure to serve under your chairmanship, Mr Twigg. I congratulate my hon. Friend the Member for Bootle (Peter Dowd) on securing this debate after many months—in an honest fashion I am sure—on an issue that is so important to both him and his constituents, many of whom are here in the Public Gallery. I extend the common courtesies to welcome the Minister to his place. I hope that he has his phone on today; hopefully good news will come, and I look forward to seeing him across the Dispatch Box on many more occasions.

I cycled the trans-Pennine trail recently, and went to both Hornsea and Southport. I did not quite go through the Rimrose Valley, but I was in that neck of the woods. What a beautiful neck of the woods it is past the Liverpool loop line going north. It is a very nice bit of our country. The locals have campaigned for five years around this well-loved urban parkland, which they do not want to see tarmacked over to provide a new dual carriageway. It is a big landmark in their campaign today that their MP has secured this debate.

Liverpool is vital, not just for the city region of Merseyside or the north-west of England, but for the United Kingdom generally. Some 40% of all Irish sea trade comes through there—31 million tonnes. It is the fourth biggest port in the UK. We are facing west and, having left the European Union, its expansion looks secure in the years to come. We are talking about almost 12 km of port along that coastline.

Peel and the port of Liverpool are making some major investments that we welcome, particularly at my end—I will not say the better end—of the Manchester ship canal. I had the pleasure of visiting Port Salford recently to see the trimodal development there that will regenerate the west of Manchester, with the ship canal, new rail links and the M60 motorway.

We cannot look at this issue in isolation. There are other large developments in the Merseyside region. I had the pleasure of being at a Merseyside maritime conference recently. I took the famous ferry across the Mersey and saw the new Everton stadium going up, in addition to what the Liverpool city region Mayor, Steve Rotherham, and the councils, are doing there. They are really upping the pace of regeneration of the city region.

As shadow maritime Minister, my colleagues and I will always welcome efforts to improve infrastructure to support the economic growth of the maritime sector. However, in my view, these plans are not ambitious enough, particularly when measured against the Government's own green agenda and that of National Highways.

Residents living near the port already have a low life expectancy. As my hon. Friend the Member for Bootle said, it is 12 years lower than the national average. South Sefton already experiences some of the worst air quality in the country. My constituency of Wythenshawe and Sale East is divided down the middle by the M56, so I know the problems that poor air quality brings.

As my hon. Friend the Member for Sefton Central (Bill Esterson) said, the transport sector is the UK's single biggest contributor of CO₂ emissions. It is also the only sector in which we have seen emissions go up, not down. In Greater Manchester, where the Government are forcing Mayor Burnham to reduce emissions, guess

what? National Highways does not have to reduce its emissions as part of that plan. A new road being constructed would only increase port-related traffic, with HGVs being the worst polluters on our roads. There has to be a better way of doing this.

I have spoken with local elected representatives, who I believe are best placed to understand the unique issues associated with a port operating alongside their residential communities. It is a basic issue of subsidiarity. Government cannot just set up city regional Mayors in Greater Manchester, Sheffield, Doncaster and Liverpool and then ignore the powers they have given them. Local politicians and the people they represent are best placed to help fashion local policies and transport infrastructure.

I have heard from local Members about the community cohesion that comes from having this kind of space in a heavily industrialised and urban area of north Liverpool. I hear it provides opportunities for safe, clean and active travel, which is so important and is one of the things I commend the Government on—particularly the last Administration and the last Prime Minister, who was so keen on this and put investment in. I hear that it is a well-used commuter corridor and, in addition, it offers a vital habitat to many species. We must look at alternatives to the scheme, and listen to councillors, MPs, the Metro Mayor and local residents, but there is a more fundamental issue: building a road through a valued green space is a very 1980s answer to the issue of road congestion. It is a “one more lane will solve it” attitude, but we know that one more lane does not solve things because of the impact of induced demand; we know that if we build more roads, we will attract more traffic.

I have not checked with the House of Commons Library, but a news article recently stated that there are now 40 million licensed vehicles on our roads. We want the freedom to drive—that is important—but that figure has almost doubled in the last 30 years and it is not sustainable, because we see the solution as just building and building more roads. We need a Government who are committed to an integrated and innovative transport strategy, including investments in the railways and particularly east-west connectivity, as my hon. Friend the Member for Bradford South (Judith Cummins) said. We still do not have that connectivity.

There was a guy called Daniel Adamson from Manchester. He came up with the idea and built the ship canal. He coined the phrase “northern powerhouse” in the 1860s, describing an economic region from the Mersey basin to the Humber estuary that would be connected. If that were connected properly, it would be the 10th-biggest economic unit on the planet, but we do not have that connectivity, as we all know. I know that the Minister knows it, because he represents a constituency not far off that corridor.

The money allocated to this project could and should be spent on sustainable solutions to port access, such as rail freight capacity, not least because of the climate emergency that we are facing, the public health crisis associated with air pollution, and the substantial loss and degradation of green space. A new road is not the solution, when we can be creative, as we have been at the port of Liverpool, with a purpose-built rail terminal on the banks of the ship canal, allowing co-ordinated onward transport.

The campaigners are not seeking merely to shift the issue from Rimrose Valley, away from the A5036 and on to another borough or area. They are keen to find the right solutions, the best technology, the right route and the right location. It is my view that we should support them and my hon. Friend the Member for Bootle in doing so.

5.2 pm

The Parliamentary Under-Secretary of State for Transport (Karl McCartney): It is a pleasure to take part in this debate with you in the Chair, Mr Twigg, particularly in the role I currently have the pleasure of fulfilling in responding to the points raised by my colleagues during the debate. I thank the hon. Member for Wythenshawe and Sale East (Mike Kane) for his kind words and comments. My phone is not on, but no news is good news, so he will be pleased to hear that I am still here as a Minister in the Government—we will wait and see what happens over the next 24 hours. I congratulate the hon. Member for Bootle (Peter Dowd) on securing the debate on the subject of Rimrose Valley and the port of Liverpool access, an issue he has toyed with since his leading role on the local council. I am sure he is fondly remembered by officers and councillors alike for his forthright endeavours, and by his constituents and those local residents, who I have noted are here today.

Good transport connections are the key to unlocking essential growth for cities, which is why I thank the hon. Member for Bootle for calling and opening this debate. I am sure that he and his colleagues will understand that I can neither condone nor support some of the claims and points that they have made. Transport links play a crucial role in supporting productivity, innovation and economic growth in cities, towns and communities, which is why we have provided a series of devolution deals to mayoral combined authorities to ensure that their transport connectivity maximises economic growth and supports thriving communities. The Government are fully committed to delivering our vision of levelling up the British economy and strengthening the bonds of our cities, aimed at unlocking the economic potential of the northern powerhouse, while ensuring that places such as the Liverpool city region and the north of England play a key role in a resurgent UK economy.

Bill Esterson: All the campaigns, my hon. Friend the Member for Bootle and I agree about the importance of transport and investment in it to unlock opportunity and to contribute to levelling up; the point we are making is about the nature of the transport, the infrastructure and other impacts. My hon. Friend and I have tried to engage with National Highways, to make the case for alternatives to this road solution, because of the HGV issue he and I raised earlier. In a letter to me, National Highways called my inquiries “vexatious”. Does the Minister agree that National Highways’ response—calling the elected representatives of the people of Sefton “vexatious” and refusing to engage on alternatives to a road—is wholly inappropriate and flies in the face of the policy that he has just set out?

Karl McCartney: I have heard and noted the hon. Gentleman’s comments. I will talk about the relationship—perhaps the non-relationship—with National Highways shortly. His intervention was longer than I expected, but I have taken on board all the points he made. I

expect that in the future there will be ongoing dialogue with the Department and the hon. Gentleman and other local MPs.

Since 2010, more than £33 billion has been invested in transport infrastructure in the north, but our ambition is to go further and faster, regardless of recent pressures, especially as we focus relentlessly on the economic wellbeing of our cities, regions and nation, as that brings jobs, wealth and social mobility to all who wish to enjoy the fruits of their own labours. The integrated rail plan is the biggest ever single investment in Britain’s rail network—a £96 billion strategy of rail construction and upgrades for the midlands and the north to be delivered over the next 30 years. The IRP focuses on bringing communities in the north and midlands ever closer together, boosting inter-city connections and improving east-west links in particular. These are journeys people are most likely to make, and, as I learned on my recent visit to Immingham, these links are of the utmost importance to freight and access to the western port of Liverpool.

We have announced the first allocations from the £4.8 billion levelling-up fund, regenerating towns and high streets and investing in the infrastructure that people need, including transport. As the hon. Member for Bootle undoubtedly knows, also included is £37.5 million for the Liverpool city region’s levelling up for recovery proposals, which will deliver a range of transport interventions to support connectivity and economic growth in and across Liverpool city centre, the maritime gateway in Sefton and over the water in Birkenhead, which as he rightly said is my place of birth—he and some of his constituents would probably call me a plastic scouser. This funding will enhance connectivity between employment centres such as Atlantic Park along the A5036 Dunnings Bridge Road.

This Government are also spending over £24 billion between 2020 and 2025 on our strategic road network. The core principle of our road investment strategy is to create a road network that is safe, reliable and efficient for everyone, and that sets a long-term strategic vision. Our first priority is to fix existing strategic roads, ensuring that they are well designed, well maintained and well connected, and will serve all road users well into the future. Where existing roads are simply not up to the job the country asks them to perform, we will ask National Highways to look at the potential to develop wider realigned or, in a few cases, wholly new roads to keep people and goods moving.

Transport connectivity is not just a local and regional issue; it is important for the whole United Kingdom. Transport for the North itself recently noted the importance of the port of Liverpool, whose Liverpool2 deepwater container terminal reflects the aspiration of the region to increase its freight potential—an aspiration we have supported through its recent designation as a freeport. TfN also noted that areas of investment with significant freight benefits will include access to constrained ports—for example, the A5036 to the port of Liverpool.

The hon. Member for Bootle will be aware of our commitment to the improvement of the A5036 Princess Way, which is the critical link between the port of Liverpool and the motorway network. Solutions to address some of the challenges on the route are key to unlocking the potential of the port and the wider city region, including its ambitious freeport proposals. These

[Karl McCartney]

improvements will provide better links and improve the resilience of the network while boosting business productivity and economic growth by providing a more reliable road network and improved local access. The objectives of the scheme go beyond port access; the scheme aims to improve journey times, reliability, quality and safety, to reduce the nuisance caused by noise and dust to those living alongside the existing route, and to reduce the severance of communities living alongside the existing route.

As the hon. Member for Bootle will know, the A5036 performs a number of important functions. It serves primarily, I am led to believe, as a local community and commuter route; it acts as a link for trips to and from Bootle, Maghull and Liverpool city centre; and it forms part of the strategic road network providing national routes to and from the port of Liverpool.

However, this scheme was included in the first road investment strategy and subsequent second road investment strategy because the route is among the worst nationally for congestion and unreliability, with high numbers of road traffic accidents that disproportionately affect vulnerable road users, such as pedestrians and cyclists. If nothing is done, these conditions will only worsen as traffic levels increase, with anticipated growth locally and through the port itself, which is critical to the economy of the north and the wider UK. For all those reasons, the A5036 Princess Way scheme in the port of Liverpool was developed. The scheme aims to build a new road between the M57 and M58 and the port of Liverpool to replace the current substandard route.

I acknowledge the strong views of the hon. Member for Bootle on the proposal for the new road through Rimrose Valley, but I reassure him that National Highways is aware that there is a range of opinions and concerns about its proposals for the A5036. I am reliably informed that it is committed to working with all stakeholders to achieve the right result for the city region and the country. The hon. Gentleman's former colleagues should be mindful of that olive branch and the hand of friendship, or partnership working, which some in the north-west and the city of Liverpool are famous for.

Peter Dowd: On the point the Minister makes about National Highways, the concern we have is that no alternatives to this scheme are being significantly or substantially considered. It is not a question of saying that we are just against the road and the port access; we are asking whether we can have a dialogue and potentially expand the modality of the transport link, rather than it just being about a road, take it or leave it, two or three metres either side of a line.

Karl McCartney: I thank the hon. Gentleman for his intervention. Later in my remarks, I will come on to some information that may be helpful to him and hopefully will spur him on.

The current proposal for the new road comes with a full commitment to measures to mitigate its impacts through Rimrose Valley and to enhancing the environmental and amenity value of the current park and the open area of land north of the park. We in the Department for Transport and our agencies are fully cognisant of

the issues and we recognise the need to fix negative impacts on the environment, which matter greatly to local people.

I am aware of the commitment to find a multi-modal solution to port access and acknowledge the work by the port access steering group, chaired by the Liverpool city region mayoral combined authority. In addition to planned investment on the strategic road network, there has been investment in the Bootle branch line to support increased rail access to the port.

The hon. Member for Bootle will no doubt be aware that the Liverpool city region mayoral combined authority is developing its fourth local transport plan, which will include a strategy for freight and logistics. National Highways is helping the city region to develop this plan, and the Department is awaiting the outcome with interest and will take the proposals into consideration as the scheme develops.

At this point, I urge the hon. Member for Bootle to never give up, but to be prepared to compromise and negotiate. Throwing one's toys out of the pram or taking the ball away like a spoilt child assists no one and is not a serious negotiating strategy in a professional setting in the 21st century. It may play well in the local watering holes and Labour social clubs, but it risks parts of the great city of Liverpool being left behind.

My example for the hon. Gentleman is one of personal endeavour and the willingness to achieve remarkable solutions in the face of negativity and naysayers. Between 2004 and 2012, I was told that Lincoln eastern bypass was a non-starter. It had been talked about since 1916 and I was told it would never happen, and that the transformation of the city of Lincoln, with reduced congestion, improved travel times and environmental benefits, was pie in the sky.

In December 2020, I was proud to be asked to open the—albeit single carriageway—eastern bypass. It is not in my constituency, but around it, and it is of great benefit to the vast majority of my constituents and provides environmental improvements to the very centre of our city of Lincoln. That has led to an affectionate nickname for the bypass, which is known locally as McCartney Way by some. I am not sure if the new road or even tunnel that the hon. Member for Bootle seeks would be more aptly named Princess Way mark 2 or the Dowd Underpass, or perhaps he has other middle names we are not aware of that might lend themselves to such a project. I digress.

A feasibility study into the provision of electric vehicle charging points in the vicinity of the scheme has been carried out by National Highways. The project team is interested in developing that and other opportunities to promote a more sustainable transport solution, potentially in partnership with the Liverpool freeport team and the Metro Mayor Steve Rotherham, formerly of this parish, with whom I had a very cordial meeting over the summer.

I firmly believe that good transport infrastructure is a catalyst for enterprise and growth and that better connectivity means greater economic opportunity, with all the benefits that brings to communities and individuals of all ages. That belief has driven my actions over the years in my constituency of Lincoln, and I have promoted it across the country since being appointed a Minister in early July this year.

I reaffirm my thanks to the colleagues who have spoken and whose points have been taken on board: the hon. Members for Bootle, for Sefton Central (Bill Esterson), for Wirral West (Margaret Greenwood), for Bradford South (Judith Cummins) and for Wythenshawe and Sale East. I have listened carefully to all they have said, and have taken note of the points they have made, particularly on the green lung issue. I thank them for this very insightful debate. I hope that the hon. Member for Bootle is satisfied with the response I have provided, which promotes good transport links for cities and regions, and makes clear that the Department recognises the vital importance of such improvements for local residents and business concerns, as well as for the economic wellbeing of the whole United Kingdom—this Minister recognises it doubly so, through a plethora of local examples, as I have tried to elucidate in my myriad remarks today.

5.15 pm

Peter Dowd: I appreciate the response from the Minister. I thank my colleague on the Labour Front Bench, my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane); my neighbour, my hon. Friend the Member for Sefton Central (Bill Esterson); and my colleagues, my hon. Friends the Members for Bradford South (Judith Cummins) and for Wirral West (Margaret Greenwood) for their interventions.

I will finish on this point, which I want to reaffirm: we have a road, and that is the only solution so far. We need alternatives to be discussed and teased out, not to be told, “This is the only option.” It is almost a Henry Ford, “You can have any car you want, as long as it is black.”

I am told by Mersey Maritime that this industry is worth £5 billion to the Liverpool city region economy and supports 48,000 jobs; it has a direct impact of £706 million, supporting 8,527 jobs, or 4% of jobs in the maritime sector nationally; and so on, and so on. It is a big economy. What we need are transport links that reflect that growing economy and the growing need in the area. Simply bunging a road through Rimrose Valley is not going to achieve the growth that the Government want, nor the environmental impact that we and the Government want, nor anything else for that matter. This is a “take it or leave it” project and we are not prepared just to take it—we want to have a discussion about it.

Question put and agreed to.

Resolved,

That this House has considered Rimrose Valley and Liverpool Port Access.

5.17 pm

Sitting adjourned.

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