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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 7 December 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

ATTORNEY GENERAL

The Attorney General was asked—

Violence against Women and Girls: Prosecution Rates

1. **Vicky Foxcroft** (Lewisham, Deptford) (Lab): What steps she is taking to increase the proportion of cases relating to violence against women and girls that are prosecuted. [902642]

8. **Kate Osborne** (Jarrow) (Lab): What steps she is taking to increase the proportion of cases relating to violence against women and girls that are prosecuted. [902650]

10. **Geraint Davies** (Swansea West) (Lab/Co-op): What steps she is taking to increase the proportion of cases relating to violence against women and girls that are prosecuted. [902653]

The Solicitor General (Michael Tomlinson): The Government are committed to tackling violence against women and girls, and we have enacted a multitude of new offences designed to target predatory behaviour and to ensure that perpetrators are brought to justice. That includes stalking, coercive and controlling behaviour and upskirting. Further, in the year ending June 2022, prosecutions for rape offences were 49% higher compared with pre-covid levels.

Vicky Foxcroft: Lewisham has some of the highest domestic abuse-related crime levels in London and that appears to be increasing. One of the main challenges in capturing accurate pictures of the levels of violence against women and girls in Lewisham is due to under-reporting by victims. A critical issue for my constituents remains the lack of trust in the system, so what are Ministers doing to restore public trust and increase prosecution rates? The low levels of prosecutions cannot continue.

The Solicitor General: I am grateful to the hon. Lady for her question, and she is right that we need to see an increase in prosecution rates. The rape review action plan is looking at three key metrics: referrals, charge volumes and Crown court receipts. In each case, she will be pleased to know that the figures are up and moving in a positive direction. She is also right about the issue in relation to victims, and independent sexual violence advisers will help in that regard.

Kate Osborne: The commitment to introducing specialist rape courts has not been met. Instead, there is a pilot scheme in just four locations, yet survivors cannot select where their cases are heard. Each day in the UK, there are around 300 rapes, of which around 190 are reported. Of those, only three rapists will see the inside of a courtroom, never mind a prison cell, and the rest will be free to abuse and rape again. Over the Christmas period, the number of rapes rises, so will resources be put in place to ensure that cases reported to the Government's new 24-hour hotline are actually prosecuted?

The Solicitor General: I am grateful to the hon. Lady for mentioning the new hotline. It is right that, overall, prosecutions are up 49% and convictions for rape are up 41%, but she is right in what she says. There are three pilot areas for rape courts, but each and every Crown court can take on rape cases, and I am determined to see prosecutions and convictions rise.

Mr Speaker: I call Geraint Davies—not here. I call Dr Caroline Johnson.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): For women who have been raped, the time that that takes to come to court, when it does come to court, is too often long and traumatic. What is my hon. Friend doing to ensure that the time is shorter for all concerned?

The Solicitor General: I am grateful to my hon. Friend for raising that issue. Timeliness is clearly important in ensuring that victims stay with and continue to support prosecutions—she is absolutely right. As for the number of days between police referral and Crown Prosecution Service charge, that has been moving in the right direction and was 29 days faster in the last quarter. However, to strike a note of caution, it is important to ensure that the evidence is right and, on occasions, that can take time.

James Daly (Bury North) (Con): I acknowledge the progress that the Government are making on this issue, but at the heart of the matter is the lack of referrals from the police to the CPS, especially in rape cases. At present, we have a charge-out rate of around 1.7%, and that has to change.

The Solicitor General: I pay tribute to my hon. Friend, who brings considerable experience to the Chamber and to the Justice Committee. As he will have heard, charge rates are one of the key metrics. The overall figure is 72.8%. In comparison, the figure for all crime is 78.8%, which is not that far off. He will be pleased to know that, in his local area, the charge rate is increasing.

Sir James Duddridge (Rochford and Southend East) (Con): Although I welcome the absolute increase in the number of rape prosecutions in Essex, the percentage of prosecutions is still pitifully low. What more can the Attorney General do to help excellent police and crime commissioners such as Roger Hirst and Members of Parliament across Essex to improve the situation?

The Solicitor General: I thank my hon. Friend for his question and for championing his local area, and he is right. One thing that we can do is to support victims, and we are doing that, not least through the ISVAs. When victims have that help and support, they are

49% more likely to stay with the programme and to continue to support and progress through the criminal justice system.

Mr Speaker: I call the shadow Attorney General.

Emily Thornberry (Islington South and Finsbury) (Lab): I believe that the Solicitor General is now an old hand at this, but may I welcome the new Attorney General to her place?

As the Solicitor General will know, an estimated one in five women in this country have experienced the daily misery of being stalked and the constant fear that their stalker may one day attack them. In the year ending March 2022, almost 120,000 stalking offences were reported to the police, but less than 6,000 of those reports resulted in a charge. That is a charge rate of just 5%, compared with 7% the year before. Does the Solicitor General think that is good enough?

The Solicitor General: I am grateful to the right hon. Lady for her warm welcome to me and to the Attorney General. She is right to raise the issue. I would gently point out that stalking was created an offence under this Government; I pay tribute to my predecessor, my hon. and learned Friend the Member for Cheltenham (Alex Chalk), for all his work in the area.

The right hon. Lady is right to highlight that prosecution rates and charge rates are not high enough. She will have seen from the action plan that I have referred to that we are determined to see them increase. The Attorney General and I keep a very close eye on the matter.

Emily Thornberry: I appreciate the seriousness with which the Solicitor General approaches these issues but, as he will know, a formal complaint has been submitted by the Suzy Lamplugh Trust and 20 other members of the National Stalking Consortium, asking for an investigation into the overall handling of stalking cases. Whatever the outcome of that process, may I ask him to take on board the recommendations that the consortium has submitted alongside its complaint and to ensure that, at every level of the criminal justice system, stalking is treated with the seriousness it deserves?

The Solicitor General: I pay tribute to the right hon. Lady for the tone that she is striking. She is absolutely right to highlight this issue. The Attorney General and I will look at it incredibly closely, of course, and we will do exactly as the right hon. Lady says.

Mr Speaker: We now come to the SNP spokesperson.

Angela Crawley (Lanark and Hamilton East) (SNP): May I also take the opportunity to welcome the Attorney General to her place? A commitment to protecting women and girls should mean protecting all women and girls. Safeguards protecting against gender-based violence must be extended to migrant women. What representations has the Attorney General made to the Home Office to ensure that migrant women are offered the same protections as other women in the UK, and to ratify the Istanbul convention fully and without reservation?

The Solicitor General: I know that my right hon. Friend the Attorney General will be very grateful for the hon. Lady's welcome. The Attorney General works incredibly closely with the Home Office on the issue;

more broadly, in relation to victims, she works incredibly closely with the Home Office and with the Ministry of Justice. It is not in isolation, but with our three Departments, that we can make progress.

People Traffickers: Prosecution Rates

2. **Sally-Ann Hart** (Hastings and Rye) (Con): What steps she is taking to increase prosecution rates for (a) small boat gangs and (b) other people traffickers. [902643]

3. **Andrew Lewer** (Northampton South) (Con): What steps she is taking to increase prosecution rates for (a) small boat gangs and (b) other people traffickers. [902644]

12. **Tom Randall** (Gedling) (Con): What steps she is taking to increase prosecution rates for (a) small boat gangs and (b) other people traffickers. [902655]

The Attorney General (Victoria Prentis): Since we enacted the Nationality and Borders Act 2022 at the end of June, prosecutions for illegal entry and facilitating illegal entry have increased by 250%. We are working across Government to ensure that we can stop the life-threatening crossings and prosecute the gangs behind them.

Sally-Ann Hart: Organised illegal immigration crime is transnational, making collaboration across Europe vital to tackling people-smuggling from source to transit to destination. What steps is my right hon. Friend taking to work with partners across Europe to share intelligence and resources, to ensure that more prosecutions are successfully brought against these reprehensible criminals?

The Attorney General: My hon. Friend is a great champion for beautiful Hastings and Rye. The Government routinely work with international partners to disrupt organised crime groups. The CPS has deployed a criminal justice adviser in France who supports prosecutions on both sides of the channel. We also collaborate with other jurisdictions, for example through Eurojust—the European Union Agency for Criminal Justice Cooperation—on sharing evidence-gathering where that is appropriate.

Andrew Lewer: To protect increasingly stretched capacity in places such as Northampton for genuine asylum seekers, what steps is the Attorney General taking to increase prosecution rates for those behind the exploitative people-trafficking in relation to migration from high-volume but safe countries in particular?

The Attorney General: The rate of prosecutions for people trafficking has increased enormously: in 2021-22 it rose by 48%, owing to intensive collaboration between the police and prosecutors.

Tom Randall: I share the anger and frustration felt by many people in Gedling about the small boats issue and the traffickers behind it. What assurance can my right hon. Friend give me that frontline operatives are collaborating on the investigation and prosecution of pilots of small boats?

The Attorney General: My hon. Friend has asked an excellent question, but I hope I can reassure him by saying that the Crown Prosecution Service is working closely with Border Force and immigration colleagues to tackle this dangerous offending. The Solicitor General, the Immigration Minister and I recently met a group of those colleagues, and were very impressed by their determination to work together.

Mr Gregory Campbell (East Londonderry) (DUP): A few weeks ago, I received an answer to a parliamentary question which indicated that over the past seven years we had paid the French authorities £300 million to try to stop people coming from France to this country illegally. Does the Attorney General think that that was value for money?

The Attorney General: As I said earlier, it is important that we work closely with the French authorities to ensure that prosecutions can take place on both sides of the channel, and that we stamp out this illegal activity.

Jim Shannon (Strangford) (DUP): In November, the Police Service of Northern Ireland raided 27 brothels in Northern Ireland in what it described as the biggest operation against people trafficking that it had carried out so far. An organised crime group was smuggling people into both Northern Ireland and the Republic. What discussions has the Minister had with the PSNI about trafficking in Northern Ireland, and will she devote time to tackling this UK-wide problem with the PSNI?

The Attorney General: The hon. Gentleman always asks important questions, as he has done on this occasion. The prosecutors have been working closely with all law enforcement agencies to provide early advice in modern slavery cases, which has itself led to an increase in evidence-led prosecutions, and I look forward to working more closely on this issue with the hon. Gentleman in the future.

Criminal Justice Backlog: CPS Effectiveness

4. **Scott Benton** (Blackpool South) (Con): What assessment she has made of the effectiveness of the Crown Prosecution Service in reducing the backlog of cases in the criminal justice system. [902645]

Mr Speaker: Scott Benton is not here, but can someone answer the question?

The Solicitor General (Michael Tomlinson): I recently met frontline prosecutors in Bristol, Devon and London to see at first hand the work being undertaken to tackle the backlog. The CPS has created a national surge team that could be deployed to any region in England and Wales to relieve casework pressures.

Mr Speaker: I call the shadow Solicitor General.

Andy Slaughter (Hammersmith) (Lab): I welcome the new Attorney General to her position. However, the backlog is still going up. Last week a solicitor was jailed for 12 years for a £10 million fraud after a private prosecution that was brought because the CPS had taken no action. Last year the prosecution rate for fraud, the most commonly experienced crime, was 0.5%, and for the past five years the average number of prosecutions initiated by the Serious Fraud Office has

been four. Is the Attorney General's solution to the backlog not to prosecute cases at all, and is this not a pathetic record of inaction by a Government who have gone soft on crime?

The Solicitor General: I disagree with the hon. Gentleman's last two points. We all want to see the backlog reduced as quickly as possible, and the Ministry of Justice is leading the development of a cross-Government Crown court recovery plan. It is through, for instance, technology, sentencing blitzes and pre-trial case resolution hearings that we can help to reduce the backlog.

Daniel Zeichner (Cambridge) (Lab): The police in Cambridge have raised with me the time that they spend on preparing cases for the CPS, but it has also been suggested that simple tweaks to data protection laws and the information recorded on the Registry of Judgments, Orders and Fines could make a real difference. Has the Attorney General considered any of these simple steps?

The Solicitor General: I have had several meetings with both the CPS and the police. It is important for them to work together. When it comes to, for example, prosecutions for rape and serious sexual offences, it is important for early advice to be sought and for co-operation to be seen between the police and the CPS. As for disclosure issues more widely, the Attorney General and I are looking at those very closely.

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

Sir Robert Neill (Bromley and Chislehurst) (Con): May I, both personally and on behalf of the Committee, warmly welcome the Attorney General to her place? Everyone who saw her sworn in will know how positive the reaction of Bar and Bench was to the appointment of someone who takes her responsibilities so seriously, and we look forward to working with her.

When the Director of Public Prosecutions gave evidence to the Justice Committee last month, she stressed that the pressures on the CPS must be seen in the context of the justice system as a whole, and that the solution to those pressures required consistent support for the system, but in particular support for CPS staff—

Mr Speaker: Come on! Somebody answer the question!

The Solicitor General: That pleasure falls to me, Mr Speaker. I am grateful to my hon. Friend for his kind words, as I know the Attorney General is. He is right to highlight the words of the Director of Public Prosecutions, and he will know that the Attorney General and I work closely with the director and listen carefully to what he says.

Unduly Lenient Sentencing Scheme

5. **Kevin Foster** (Torbay) (Con): What assessment she has made of the effectiveness of the unduly lenient sentencing scheme. [902646]

The Solicitor General (Michael Tomlinson): In the vast majority of cases, judges get sentencing right. The Court of Appeal grants permission to refer a sentence

only in exceptional circumstances, and over the last five years the Court of Appeal has increased the sentence in around 70% of cases.

Kevin Foster: My hon. Friend will be aware that the recent publication of statistics regarding the operation of the unduly lenient sentencing scheme during 2021 indicated 151 referrals to the Court of Appeal. How many of those referrals under the scheme followed representations from the victim of a crime to the Attorney General's Office about the sentence given, and what is being done to ensure that victims are aware of their ability to do that?

The Solicitor General: My hon. Friend knows a lot about the scheme and has long-term interest in it. Of those 151 cases, only eight were referred by victims and a further nine by a member of a victim's family, and that is not just an aberration for that year; it is a consistent trend. We regularly publish updates on the outcome of these sentences, and the revised victims code includes details of the ULS scheme.¹

Gavin Robinson (Belfast East) (DUP): Would the Solicitor General recognise that whenever people in this country try to have a debate around mandatory minimum sentences there is an automatic superficial reaction that talks about the need for judicial discretion, yet there are crimes for which we as a Parliament should be clear as to the appropriate sentence that people ought to expect? *[Interruption.]*

Mr Speaker: Order. I just want to remind Members not to walk in front of other Members—*[Interruption.]* Mary Kelly Foy, you walked right in front of the Member who was asking the Minister a question. Please can we all wait, to help each other?

The Solicitor General: The hon. Member for Belfast East (Gavin Robinson) always raises a serious point in relation to these issues. It is right to acknowledge that in the vast majority of cases the sentencing judges get it right, but when Parliament sets down the guidelines and the ambits, they should be followed closely.

Supreme Court Judgment: Scottish Independence Referendum

6. **Alan Brown (Kilmarnock and Loudoun) (SNP):** Whether she has made an assessment of the implications for her policies of the findings of the Supreme Court on the reference by the Lord Advocate of devolution issues under paragraph 34 of schedule 6 to the Scotland Act 1998. [902648]

7. **Allan Dorans (Ayr, Carrick and Cumnock) (SNP):** Whether she has made an assessment of the implications for her policies of the findings of the Supreme Court on the reference by the Lord Advocate of devolution issues under paragraph 34 of schedule 6 to the Scotland Act 1998. [902649]

The Attorney General (Victoria Prentis): I would like to take this opportunity to thank the Opposition Front Bench and the Chairman of the Justice Committee for their extremely kind comments. I welcome the ruling of the Supreme Court. The Court was very clear—it was a

unanimous decision—that a Bill legislating for a referendum on Scottish independence is not within the legislative competence of the Scottish Parliament.

Alan Brown: That might be the case in the Supreme Court, but if we look back, we see that John Major said of Scotland that

“no nation could be held irrevocably in a Union against its will”, so will the Attorney General confirm that Scotland is in a voluntary Union, and if so, what is the legal mechanism to affirm that or, more importantly, the legal means by which Scotland can voluntarily leave the Union?

The Attorney General: The UK Supreme Court was very clear that an independence referendum was related to reserved matters, and the Government welcome the Court's confirmation of this point. What the people of Scotland want is to see the Government working with them to solve the issues that matter to them.

Allan Dorans: Following the recent Supreme Court judgment, the Prime Minister and the Secretary of State for Scotland have been asked on numerous occasions what is the democratic route available to Scotland to leave the Union. Neither has been able to provide an answer. If the people of England wanted to leave this alleged voluntary Union of equals, what democratic process would be available to them?

The Attorney General: I believe that I have answered this question already, and I have heard the Prime Minister answer it several times in the course of Prime Minister's questions. The Supreme Court rejected the Lord Advocate's submission that an advisory referendum would have only an indirect and consequential effect on the reserved matter. This matter is reserved.

Michael Fabricant (Lichfield) (Con): Does my right hon. Friend agree that the Supreme Court's judgment will also have an unexpected side effect in that it will force the Scottish Government to concentrate on domestic policy for once?

The Attorney General: I agree that the people of Scotland want us to work together to fix the challenges we face collectively. Now is the time to make sure we work together, and that is what this Government will do.

Ukraine: War Crimes Investigation

9. **David Duguid (Banff and Buchan) (Con):** What steps she has taken to support the investigation of potential war crimes in Ukraine. [902652]

The Attorney General (Victoria Prentis): The Government stand with Ukraine as it defends itself against Russia's invasion. I am personally extremely committed to this and, frankly, my home life would not be worth living if I were not. We are working closely with the Ukrainian prosecutor general, Andriy Kostin, as he prosecutes Russia's crimes in the Ukrainian courts. The UK, US and EU Atrocity Crimes Advisory Group is helping him, as is Sir Howard Morrison. We have provided a package of financial support for the International Criminal Court, and we stand ready to do whatever else is required.

1. *[Official Report, 17 May 2023, Vol. 732, c. 2MC.]*

David Duguid: I join others in welcoming my right hon. Friend to her post. What is her assessment of the international community's response to the alleged war crimes being committed in Ukraine?

The Attorney General: The international community is determined to support Ukraine's search for justice. Last week I attended a meeting of G7 Justice Ministers in Berlin, which focused on this. These are difficult issues to address, and it will take time and careful international working to overcome the perspectives and preferences of individual states.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is clearly hugely important that those who commit war crimes are brought to justice. Does the Attorney General agree it is hugely important that maximum publicity is given, perhaps via social media, to shame those who have committed these crimes?

The Attorney General: The hon. Gentleman makes an important point, and this is a very unusual situation. The Ukrainians are prosecuting war crimes in real time, and we hope the news of those prosecutions, and of the 13 Russian soldiers who have already been convicted and imprisoned as a result, will permeate through the Russian ranks and stop them committing war crimes in this terrible war.

Economic Crime: Serious Fraud Office and CPS Effectiveness

11. **Liz Twist** (Blaydon) (Lab): What steps she is taking to improve the effectiveness of the (a) Serious Fraud Office and (b) Crown Prosecution Service in prosecuting cases of fraud and economic crime. [902654]

13. **Mr Virendra Sharma** (Ealing, Southall) (Lab): What steps she is taking to improve the effectiveness of the (a) Serious Fraud Office and (b) Crown Prosecution Service in prosecuting cases of fraud and economic crime. [902656]

The Solicitor General (Michael Tomlinson): Last year the Crown Prosecution Service prosecuted 7,200 defendants where fraud and forgery were the principal offence, and the conviction rate was 84.1%. This financial year, the Serious Fraud Office has successfully prosecuted four fraudsters, as well as Glencore, which resulted in the highest ever order in a corporate criminal conviction in the UK.

Liz Twist: There were almost 940,000 fraud offences in the latest Home Office data, but only around 4,800 of those offences resulted in charges or summonses. The exact charge rate was just 0.51%, which is even lower than the rate of the previous year. Why does the Attorney General think the charge rate for fraud is so abysmally low? What does she plan to do about it?

The Solicitor General: The figures show that, last year, the CPS prosecuted 7,200 defendants where fraud and forgery were the principal offence, and the conviction rate was 84.1%. In April 2022, the CPS launched a united team, and a new serious economic, organised crime and international directorate has been set up to help in that regard.

Mr Sharma: It is a simple fact of life that we cannot tackle a problem if we do not know the scale and nature of that problem. Does the Attorney General agree that the Government need urgent answers to three basic questions, "What is the total scale of fraud in the UK? How much of it is perpetrated from overseas? And how much of it is perpetrated by organised crime?"? Can we have an answer to any of those questions today?

The Solicitor General: Both the CPS and the SFO play a significant role in tackling fraud and economic crime, and we should not gloss over the successes that there have been. Once again, I pay tribute to the SFO for its successful prosecution of Glencore, which resulted in a £280 million total payment, the highest ever that has been ordered in a corporate criminal conviction in the United Kingdom.

Mr Speaker: His Majesty the King is visiting Parliament next Wednesday. Between 3.15 pm and 3.45 pm, the sitting of both Houses will be temporarily suspended. His Majesty will be unveiling a plaque in Westminster Hall, and then unveiling and switching on the platinum jubilee gift from Members of both Houses in New Palace Yard. Members wishing to attend either location should email Black Rod's office by 4 pm tomorrow.

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.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [902692] **Dr Philippa Whitford** (Central Ayrshire) (SNP): If he will list his official engagements for Wednesday 7 December.

The Prime Minister (Rishi Sunak): 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.

Dr Whitford: Yesterday, the United Kingdom in its current form turned 100 years old, but neither the Prime Minister nor the leader of the Labour party seemed to recognise the challenge of the Supreme Court ruling as to the very nature of the Union. The Prime Minister did not answer me two weeks ago, so will he clarify whether he still believes the UK is a voluntary Union? If so, can he explain the democratic route by which the people of Scotland can choose whether to stay in it or not?

The Prime Minister: We fully respect the decision of the Supreme Court and believe strongly in the United Kingdom. As I said to the hon. Lady last time, we will work constructively with the Scottish Government to deliver for the people of Scotland.

Q2. [902693] **Anthony Browne** (South Cambridgeshire) (Con): Financial scams are the most common form of crime, causing immense emotional and financial distress to millions of people. Government efforts in this matter have tended to focus on making sure that scammers

cannot launder their proceeds of crime and that victims get compensation. Both of those things are really important, but they are acting after the scam has happened. Does my right hon. Friend agree that Departments, regulators and industry, perhaps guided by an anti-scams taskforce, could do far more to prevent scams from happening in the first place? Will he meet me to talk about this?

The Prime Minister: My hon. Friend is right to highlight the hurt that scammers and fraudsters can cause. We are working closely with industry to block more fraudulent calls from reaching the public and, importantly, our new Online Safety Bill will place duties on the largest internet companies to tackle scam ads. I would be happy to meet him to discuss this further.

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

Keir Starmer (Holborn and St Pancras) (Lab): Let me start by welcoming the new Member of Parliament for the City of Chester, my hon. Friend the Member for City of Chester (Samantha Dixon), to her place in this House. This was the best result for Labour in the 105 years we have been fighting that seat, and I look forward to working with her to build a better future for the people of Chester.

The Conservative party promised the country that it would build 300,000 houses a year. This week, without asking a single voter, the Prime Minister broke that promise by scrapping mandatory targets. What changed?

The Prime Minister: Let me start by also welcoming the hon. Member for City of Chester (Samantha Dixon) to her place. The right hon. and learned Gentleman comes here every week, and I know he is focused on the process and the politics, but I do not think he has actually taken the time to read the detail of what we are doing to improve our planning system. So let me just explain what we are doing. We are protecting the green belt, we are investing millions to develop brownfield sites, and we are providing support and protection for local neighbourhood plans. Just this morning, the shadow Housing Secretary said, “Communities should have control over where homes are built and what sort of homes are built.” That is my position and that is her position. What is his position?

Keir Starmer: Does the Prime Minister really expect us to believe that the right hon. Member for Chipping Barnet (Theresa Villiers) and the hon. Member for Isle of Wight (Bob Seely) are cheering him on because he is going to build more homes? Pull the other one! I shall tell him what changed: his Back Benchers threatened him and, as always, the blancmange Prime Minister wobbled. He did a grubby deal with a handful of his MPs and sold out the aspirations of those who want to own their own home. Was it worth it?

The Prime Minister: As ever, the right hon. and learned Gentleman is engaging in petty personality politics, not focused on the substance. Again, let me explain what we are doing. We are delivering what I said we would do: we are protecting the character of local communities, we are cracking down on land banking and irresponsible developers, and we are giving people a greater say in their decisions. Just this week, on Monday,

the right hon. and learned Gentleman said that the Government should be giving people more power and control. Now he seems to be opposing that policy. It is only Wednesday. I know that he flip-flops, but even for him that is pretty quick.

Keir Starmer: The Prime Minister has forgotten, but last week I offered him Labour votes to pass these housing targets, because this is bigger than politics. A former Housing Secretary on the Conservative Benches said that scrapping mandatory targets would be “a colossal failure of political leadership.”

Those were his words. No wonder he does not want to fight the next election. The author of the manifesto on which Conservative Members all stood said that this would cut building by 40%, perhaps even more. Why would the Prime Minister rather cripple house building than work with us to get those targets through?

The Prime Minister: We are not going to work with the Labour party on housing. You know why, Mr Speaker? We will have a look at Labour’s record on housing. In London, the former Conservative Mayor, in five years, built 60,000 affordable homes. The current Labour Mayor—he has built half of that amount. In Wales, we want to build 12,000 homes. What is Labour delivering? Half of that, Mr Speaker. The Labour party talks, the Conservatives deliver.

Keir Starmer: As ever, the Prime Minister is too weak to stand up to his own side on behalf of the country.

I noticed that there was another U-turn last night; this time on wind farms. Actually, I agree with that one, but is there no issue on which the Prime Minister will not give in to his Back Benchers?

Now, Mr Speaker, how did his colleague, Baroness Mone, end up with nearly £30 million of taxpayers’ money in her bank account?

The Prime Minister: Like everyone else, I was absolutely shocked to read about the allegations. It is absolutely right that the baroness is no longer attending the House of Lords and therefore no longer has the Conservative Whip. The one thing that we know about the right hon. and learned Gentleman is that he is a lawyer and should know that there is a process in place. It is right that that process concludes; I hope that it is resolved promptly. I shall tell him what is weak, and that is not being able to stand up to people. I know that he has taken some advice from Gordon Brown lately. Why does he not listen to a former Minister in Gordon Brown’s Government, who just said, “Why does the Labour party refuse to stand up for workers in businesses like pubs and restaurants who will lose business as a result of the train strikes?” Labour should stand up for working people. If he is strong, that is what he should do.

Keir Starmer: It may not seem like it, but he is supposed to be the Prime Minister. This morning, his Transport Secretary said that his flagship legislation on strikes—[*Interruption*—this is what he said this morning; they might want to listen to this—is

“clearly not going to...help with the industrial action”

we are facing. He should stop grandstanding, stop sitting on his hands, get round the table and resolve these issues.

Everyone can see what is happening here: a Tory politician got their hands on hundreds of millions in taxpayers' money and then provided duff PPE, and the Prime Minister says that he was shocked. He was the Chancellor. He signed the cheques. How much is he going to get back?

The Prime Minister: It is right that the right hon. and learned Gentleman has brought up legislation with regard to strikes; I am very happy to address that. Hard-working families in this country are facing challenges. The Government have been reasonable. We have accepted the recommendations of an independent pay body, giving pay rises, in many cases, higher than the private sector. But if the union leaders continue to be unreasonable, it is my duty to take action to protect the lives and livelihoods of the British public. That is why, since I became Prime Minister, I have been working for new, tough laws to protect people from that disruption. That is the legislation he is asking about. Will he now confirm that he will stand up for working people and that he and his party will back that legislation?

Keir Starmer: The Prime Minister has obviously not heard what his Transport Secretary said about that legislation this morning. It is obvious why the Government are so opposed to Labour's plans to clean up Westminster: they all voted for tax rises for working people while one of their unelected peers pocketed millions flogging dodgy personal protective equipment.

I want to raise something that is worrying parents across the country. Our hearts go out to the families of the children who have tragically died from the outbreak of strep A in recent weeks. I am very happy to work with the Government on this, so can the Prime Minister take the opportunity to update the country on the measures being taken to keep children safe this winter?

The Prime Minister: My thoughts are of course with the families of the children who have sadly lost their lives. We are seeing a higher than usual number of cases of strep A this year. The NHS, which I have sat down with to talk about this, is working very hard to make sure parents are aware of the symptoms they should be looking out for, because strep A can be treated appropriately with antibiotics. There are no current shortages of drugs available to treat it and there are well-established procedures in place to ensure that that remains the case. The UK Health Security Agency is monitoring the situation at pace and has confirmed that this is not a new strain of strep A, so people should be reassured that there is no reason to believe it has become more lethal or more resistant to antibiotics. The most important thing for parents to do is to look out for the symptoms and get the treatment that is available for them.

Q4. [902695] **Nickie Aiken** (Cities of London and Westminster) (Con): Airbnb-type short-term lets provide a positive experience for many holidaymakers, but too many cause real issues for local communities. In Westminster we have 13,000 Airbnb properties alone. Does my right hon. Friend the Prime Minister agree that it is now time to consider a registration scheme, managed by local authorities, so that councils can properly manage this growing sector?

The Prime Minister: My right hon. Friend the Levelling Up Secretary has indeed said that we will deliver a new tourist accommodation registration scheme, something I know my hon. Friend has asked for. That will increase appropriate regulation of the sector and better understand and monitor the impact on local communities. We will also consult on whether planning permissions should be required for new short-term holiday lets, especially in tourist hot spots.

Mr Speaker: I welcome the new leader of the SNP at Westminster and thank Ian Blackford, the previous leader.

Stephen Flynn (Aberdeen South) (SNP): Thank you, Mr Speaker. I begin by paying tribute to my colleague and right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford), who has served us with diligence and duty for the last five years. He is a giant of the Scottish independence movement and has seen off not one, not two, but three consecutive Tory Prime Ministers—indeed, he was on to his fourth in recent weeks. To that latest Prime Minister, I have a very simple question. What does he consider to be the greatest achievement of the Conservative party in Government since 2019: leaving the single market and customs union, ending freedom of movement, denying Scotland her democracy or getting the Labour party to agree with all the above?

The Prime Minister: Can I start by offering my genuine, warm and heartfelt best wishes to the right hon. Member for Ross, Skye and Lochaber (Ian Blackford)? I know the whole House will miss his weekly contributions. May I also join the First Minister in congratulating the hon. Member for Aberdeen South (Stephen Flynn) on his appointment as Westminster leader of the SNP? I look forward to constructive debate with him across the Dispatch Box. The answer to his question is actually very simple. The thing we are most proud of in the last couple of years is making sure that we protected this country through the pandemic with furlough and the fastest vaccine roll-out.

Stephen Flynn: Far be it from me to offer advice to a near billionaire, but he is going to have to up his game. Here is why: in the last 15 minutes, a poll has landed showing that support for Scottish independence has now hit 56% and support for the Scottish National party sits north of 50%. In that context, does the Prime Minister consider that increasing energy bills for households in energy-rich Scotland by a further £500 will cause those poll numbers to rise or fall?

The Prime Minister: What we are delivering for households across the United Kingdom, including those in Scotland, is £55 billion of support with energy bills—that will save a typical homeowner about £900 on their bills this winter—with extra support for the most vulnerable. That is an example of the United Kingdom and the Union delivering for people in Scotland.

Q7. [902698] **David Morris** (Morecambe and Lunesdale) (Con): Eden Project North is now getting right to the end of the process. It has gone through right to round 2 of the levelling-up fund, it has planning permission, it has land allocation, and it has everything that it is going to offer to north of England. Prime Minister, when are we going to get Eden Project North?

The Prime Minister: I think the whole House knows that my hon. Friend has been a passionate campaigner for Eden Project North for some time. I was pleased to work with him in my previous role. He knows I cannot comment on any specific bid, but I know that the Secretary of State will be making those decisions by the end of the year, and I wish my hon. Friend and everyone involved in the project every success.

Stephen Farry (North Down) (Alliance): Most people and businesses in Northern Ireland accept the need for the protocol and want to see negotiated, pragmatic solutions to the various challenges. Although there has been a clear improvement in the mood music between the UK and the European Union over recent weeks, there is growing frustration and concern about the slow rate of actual progress in those talks. What steps can the Prime Minister take to inject some momentum into those negotiations? Indeed, can I encourage him to visit Northern Ireland as soon as possible—preferably before Christmas—to engage with local stakeholders on the protocol and to hear views on how the Assembly can be restored via reform?

The Prime Minister: I thank the hon. Gentleman for his question—I enjoyed meeting him recently to discuss these issues. Let me give him and the people of Northern Ireland my assurance that I want to see the issues with the protocol resolved as quickly as possible. I believe that if people enter into the talks that we are having in a spirit of good will and pragmatism, we can indeed find a way through. My right hon. Friend the Foreign Secretary and Vice-President Šefčovič are in regular dialogue. I will take on board the hon. Gentleman's suggestion to visit Northern Ireland to discuss these things in person.

Q9. [902700] **Darren Henry** (Broxtowe) (Con): We have just had Small Business Saturday, when we marked the important impact small businesses have on our local communities. I, like many of my colleagues, have spoken to such businesses and heard just how great their concerns for their future are. Earlier this year, when the Prime Minister was Chancellor, he went with me to Fred Hallam in Beeston, a business established in 1908. Small and medium enterprises such as this faced the pandemic and now face rising energy costs. Can the Prime Minister lay out how he will ensure that businesses such as Fred Hallam will be supported in the coming months so that they may thrive and continue to provide vital goods and services to my Broxtowe constituents?

The Prime Minister: I know my hon. Friend is a fantastic champion of his local businesses. It was a privilege to visit Beeston and Hallam's earlier this year with him. I remember that we discussed then some of the things we were planning to do, which are now going to make a big difference: saving businesses hundreds or thousands of pounds in their energy bills through our relief scheme this winter; our business rates tax cuts package worth over £13 billion, impacting retail businesses in particular; and, with initiatives such as the annual investment allowance and Help to Grow, we can take his small businesses to a whole new level. I look forward to working with him on that.

Q3. [902694] **Ian Byrne** (Liverpool, West Derby) (Lab): At a recent Environment, Food and Rural Affairs Committee session, the author of the Government's own national food strategy and the United Nations special rapporteur on the right to food called for universal free school meals to address the issue of the 4 million children hungry in the UK. Will the Prime Minister meet me to discuss how investment in universal free school meals will benefit children and their families in Liverpool, West Derby and the country, and at no extra cost to the taxpayer?

The Prime Minister: I know this is an issue on which the hon. Gentleman has campaigned for some time, and he is right to highlight the importance of making sure that our children have access to food. That is why I am proud that we introduced not just an expansion of free school meals, but the holiday activities and food programme. I am always interested in more ideas of where we can go further, and I look forward to hearing from him.

Q11. [902702] **Gareth Davies** (Grantham and Stamford) (Con): Whether on defence with AUKUS, trade with the comprehensive and progressive agreement for trans-Pacific partnership or diplomacy with the Association of Southeast Asian Nations, I know that this Government recognise the importance of the Indo-Pacific to the UK's security and prosperity, but the challenges that exist, whether ballistic missile tests or belt and road, are deeply interconnected. Can the Prime Minister confirm that the Indo-Pacific remains a UK priority and that he will take a holistic approach within Government to meet the challenges and capture the opportunities that exist in the region?

The Prime Minister: Last year's integrated review set out our Indo-Pacific tilt on foreign policy. I reaffirmed this Government's commitment to that tilt in a speech at the Lord Mayor's dinner just the other week, and my hon. Friend is right to highlight both the economic and security importance of the region. He should be reassured that we are pursuing not just free trade agreements bilaterally, but also CPTPP, the AUKUS partnership and hopefully a new partnership with our future combat air system—all evidence that we are delivering on the tilt.

Q5. [902696] **Siobhain McDonagh** (Mitcham and Morden) (Lab): Members across this House know the devastating impact of bank branch closures on our communities, but as banks flee the high streets, our free cash machines disappear with them, hitting the most vulnerable hardest. Surely it cannot be right that a quarter of ATMs charge people to access their own money. Will the Prime Minister join dozens of his own Back Benchers today in backing my cross-party amendment and ensure that everyone has free access to their hard-earned money?

The Prime Minister: This Government are legislating to safeguard access to cash, and that is what the Financial Services and Markets Bill, which we will debate this afternoon, will do through a very significant intervention. I also am pleased that we have put in place initiatives with the industry to subsidise free-to-use ATMs in deprived areas, and that almost 50 communities are benefiting from our new shared cash facilities, because access to cash is important, and that is what our new Bill will deliver.

Q12. [902703] **Rehman Chishti** (Gillingham and Rainham) (Con): I very much welcome the Government's commitment to their hospital buildings programme. Can the Prime Minister clarify what criteria will be applied for the allocation of those new hospitals? Will it be done in line with the Prime Minister's personal commitment to a merit-based system of government? My hospital in Medway serves half a million people, is the busiest hospital A&E in Kent and we have some of the highest health inequalities in the country. Medway was one of the hardest-hit areas during covid-19. We need our fair-share allocation of resources in Medway. Will the Prime Minister visit Medway Maritime Hospital with me and fellow local MPs to look at our urgent need?

The Prime Minister: My hon. Friend is a fantastic champion for his local area, but especially for his local hospital. He will know that I cannot comment on any specific scheme, but I can tell him that submissions to be one of the new hospitals are being reviewed in the Department and an announcement will be made shortly.

Q6. [902697] **Mary Kelly Foy** (City of Durham) (Lab): On Small Business Saturday, I was delighted to name Daisy Rose Coffee House as the City of Durham's small business of the year 2022 after a public vote in my inaugural award. Like so many small businesses, Daisy Rose Coffee House is the beating heart of the local community and the cornerstone of the high street. So many business owners I meet feel utterly ignored by the Government as they are clobbered by outdated business rates year after year. The Government must pick a side: are they going to continue to back the online giants, or will they join the Labour party in backing small business and scrap and replace the outdated business rates?

The Prime Minister: I congratulate Daisy Rose on winning its award and being the beating heart of its high street. I very much hope that it will benefit—I am almost certain that it will—from our discounts on business rates. Our retail, hospitality and leisure relief gives a 75% discount on business rates in the next financial year, and that comes on top of the support that we will be providing Daisy Rose and others with their energy bills, with bills being about half of what they would have otherwise been without our support.

Conor Burns (Bournemouth West) (Con): Mr Speaker, can I thank you and colleagues across the House for your kindness and encouragement in recent weeks?

I ask my right hon. Friend the Prime Minister this afternoon to recommit the Government he leads to our ambition of levelling up communities in every part of our great United Kingdom. To that end, I invite him to visit my Bournemouth West constituency to see the latest school rebuild, the multimillion-pound rebuild of Oak Academy, which will stand as a lasting tribute to opportunity for the people I have the privilege of serving in this House.

The Prime Minister: It is very nice to hear from my right hon. Friend today. He is absolutely right: there is no better way to spread opportunity around the country than by investing in our children's future. I am absolutely delighted that Oak Academy in his constituency is

benefiting from our school rebuilding programme, and I will certainly ask my office to keep his kind invitation in mind.

Q8. [902699] **Allan Dorans** (Ayr, Carrick and Cumnock) (SNP): I have raised this matter before, but despite meeting with a previous Prime Minister in 2020 the matter has not progressed. In 1984, I was a serving police officer in the Metropolitan Police when, on 17 April, WPC Yvonne Fletcher was shot in the back and killed while policing a political demonstration outside the Libyan Embassy. No one has ever been charged in connection with her murder. In November last year, delivering his judgment in a civil case, a senior High Court justice, Mr Justice Spencer, said:

"I am satisfied that on the balance of probabilities the defendant"—

Saleh Mabrouk—

"is jointly liable for the shooting of WPC Yvonne Fletcher on the doctrine of common design."

Will the Prime Minister meet with me to see how this case may be taken forward, to finally bring those responsible for the murder of Yvonne to justice in a criminal court?

The Prime Minister: I thank the hon. Gentleman for his continued work on this case. As he said, it is something that he has raised before. He will appreciate that, while I cannot speak in detail on any particular case, there are differences in the standard of proof required for civil and criminal proceedings. That said, the Crown Prosecution Service will consider any new information that is referred to it by the police in relation to this case. Of course, I would be very happy to meet with him.

Jackie Doyle-Price (Thurrock) (Con): Returning to the theme of communities being able to decide where to build, in Thurrock we embrace our obligations to deliver more new homes. At Arena Essex, we have an application to deliver 2,500 new homes ready to go; however, there is a standing objection to any development of over 300 homes from National Highways because of the impact on junction 30 of the M25. What advice will my right hon. Friend give to Thurrock Council on how it can deliver its housing obligations with that national constraint?

The Prime Minister: I thank my hon. Friend for her question. She highlights a great example of a council that is trying to do the right thing and put the right homes in the right places. It should have our support. I ask her please to write to my right hon. Friend the Levelling Up Secretary with the details of the issues so that we can give her a full response, but I praise her council for trying to make sure that we can build homes where we need them.

Q10. [902701] **Dame Diana Johnson** (Kingston upon Hull North) (Lab): Why can the Government not process asylum claims within six months, thereby saving £5.6 million a day on asylum seekers' accommodation, granting asylum to those who need it quickly, and stopping the abuse of the system, which currently has a backlog of 147,000 asylum claims?

The Prime Minister: What we are doing is significantly increasing the number of caseworkers. We are on course to double it by next spring, with several hundred already

in place. The right hon. Lady is right that the process takes longer than it should. Often that is because people are able to exploit some of the rules in our system and make sequential claims. That is exactly the type of thing that the Home Secretary and I are working on fixing, and I look forward to having the Labour party's support when we do.

Andrew Bridgen (North West Leicestershire) (Con): There have been more reported deaths and adverse reactions following mRNA vaccinations in 18 months than there have been following every conventional vaccine administered worldwide in the last 50 years. Given that mRNA vaccines are not recommended for pregnant women or those who are breastfeeding, would my right hon. Friend overturn the big pharma-funded Medicines and Healthcare products Regulatory Agency's recent recommendation that those experimental vaccines be administered to children as young as six months of age?

The Prime Minister: First, I believe that covid vaccines are safe and effective. No vaccine—covid or otherwise—will be approved unless it meets the UK regulator's standards of safety, quality and effectiveness. An independent body, the Joint Committee on Vaccination and Immunisation, determines in which age groups the vaccine is recommended for use as part of the vaccination programme. Of course, the ultimate decision lies with parents.

Q13. [902704] **Kevin Brennan** (Cardiff West) (Lab): During covid, we all applauded our NHS nurses, who put their lives on the line to help millions of our constituents and loved ones. We know now that, at the same time, Tory spivs were helping themselves—using their connections and covid—to millions of pounds of public money. Why is the Prime Minister on the side of the spivs and not on the side of the nurses?

The Prime Minister: What everyone was doing at the time was working as hard and as quickly as they could to get the PPE needed for our frontline workers, including our nurses. There was an independent procurement process; Ministers were not involved in the decision making. It was right, however, that people gave their ideas about where to get PPE from. Indeed, the shadow Chancellor, the right hon. Member for Leeds West (Rachel Reeves), suggested that we should get it from a law firm and ventilators from a football agent. Everyone was trying as hard as they could. We should remember the context and stop playing politics.

Matt Warman (Boston and Skegness) (Con): Two weeks ago, more than 350 people attended a meeting in Skegness to discuss the use of five seafront hotels to house asylum seekers. They were united in their view that there was a long-term economic impact and pressure on public services. They told me loud and clear that they think, as the Prime Minister does, that hotels are the wrong place for asylum seekers. Does he agree that the Government urgently need to lay out a plan that moves beyond the use of hotels and puts asylum seekers in the right place for them and for coastal communities such as Skegness?

The Prime Minister: I completely agree with my hon. Friend. We are now spending £6 million a day housing asylum seekers—hotels are incredibly expensive. We will urgently bring forward proposals to reduce the pressure but, as he and I know, the best way to solve the problem sustainably is to reduce the number of illegal migrants coming to the United Kingdom, and that is what the Government will deliver.

Q14. [902705] **Chris Elmore** (Ogmore) (Lab): Audit Wales has confirmed that the Welsh Labour Government responded well and got on with the job of delivering value for taxpayers' money. Can the Prime Minister tell the House what first attracted him to awarding billions of pounds-worth of covid contracts to Tory donors and supporters? What is he doing to claw back taxpayers' money?

The Prime Minister: Again, we delivered 32 billion pieces of PPE to the frontline at a time when there was a global shortage. As I have already said, everyone tried to do their bit. We heard recommendations from the shadow Chancellor, but it was right that her suggestions, and everyone else's, went through an independent process where Ministers were not involved in the decisions.

Mr Robin Walker (Worcester) (Con): Josh MacAlister's independent review of children's social care has been with the Government since May. I understand that there has been some disappointment that the response to it will not be published before Christmas. Can the Prime Minister ensure that, given its important recommendations about some of the most vulnerable children in our society and the families and people who support them, there will be a strong and robust Government response as early in the new year as possible?

The Prime Minister: Yes, my hon. Friend obviously knows the subject area well. He is right to highlight the importance of making sure that we provide good quality support for vulnerable children. The report has a lot of interesting suggestions in it and he is right. I can commit to him that we will respond in due course.

Q15. [902706] **Claire Hanna** (Belfast South) (SDLP): Over 70% of Northern Ireland's international tourists arrive in Dublin and travel across the land border, and the UK Government's proposed electronic travel authorisation is likely to mean the north being struck off the itinerary of operators and many independent travellers. The last thing we need is a barrier to one of our biggest economic drivers, to say nothing of the impact on non-Irish and British people living in Ireland. Members from across the House have acknowledged that our border is not a normal one. Will the Prime Minister commit to scrapping this unworkable proposal?

The Prime Minister: I can give the hon. Lady my assurance that we remain very committed to the common travel area, and indeed do not want to see any checks on the island of Ireland. That is why we are working very hard to resolve the issues with the protocol and ensure Northern Ireland's place in the United Kingdom.

Russia: UK Companies

12.36 pm

Dame Margaret Hodge (Barking) (Lab) (*Urgent Question*): To ask the Chancellor of the Exchequer if he will make a statement on continued involvement by UK companies in Russia.

The Exchequer Secretary to the Treasury (James Cartlidge): I am grateful to the right hon. Lady for her question.

The UK and international partners have moved in lockstep since the invasion to impose the largest and most severe economic sanctions that Russia has ever faced, designating more than 1,200 individuals and over 120 entities. That includes a ban on new outward investments in Russia, and £18.4 billion-worth of Russian frozen assets reported to the Government. On Monday, in alignment with coalition partners, we banned the import of Russian oil and oil products into our markets. In conjunction with partners, we have prohibited UK ships and services from the maritime transportation of Russian oil unless the price paid is at or below \$60.

The Government do not comment on individual commercial decisions. The process of divesting themselves of assets in Russia will be complicated for companies, which need to ensure compliance with financial sanctions. However, since Russia's illegal and unprovoked invasion of Ukraine, we have seen commitments from many firms and investors to divest themselves of Russian assets.

The Government have been clear that we support further signals of intent to divest of Russian assets. In March this year, the then Chancellor—now the Prime Minister—said he welcomed

“commitments...made by a number of firms to divest from Russian assets”,

noted that he

“supports further signals of intent”,

and said that

“there is no case for new investment in Russia.”

That remains the Government's position.

Dame Margaret Hodge: Mr Speaker, thank you very much for granting this urgent question. I thank the Minister for his reply. However, after listening to it, I would simply say to him that the Government have constantly talked about taking back control, and if there is one issue on which they should take back control it is this: ensuring that no British company invests in Russia.

Today is the 286th day of Putin's invasion of Ukraine. In February, three days after the war started, BP said it “will exit its 19.75% shareholding in Rosneft”,

Russia's main oil company. Despite this promise, BP remains one of the largest shareholders. According to the excellent research by Global Witness, it is set to receive £580 million in dividends on the back of bumper profits fuelled by the war. Does the Minister agree with me that it is utterly shameful that a large, publicly listed British company profits from the sale of oil that is funding Putin's war?

Does the Minister further agree with the words of Mr Ustenko, President Zelensky's economic adviser? He wrote to BP and said:

“This is blood money, pure and simple, inflated profits made from the murder of Ukrainian civilians.”

BP's claim that it is locked in as a shareholder is both laughable and easily solved. To put this into perspective, BP's dividends are equivalent to over one quarter of the total military and humanitarian aid provided by the UK Government to Ukraine.

Does the Minister agree with Mr Ustenko that BP and any other company still invested in Russia's fossil fuels must donate the entirety of its wartime profits to the victims of the war? Does he further agree that it is our duty to ensure that companies are not damaging Britain's national interest? Will this Government therefore work to persuade BP to donate the entirety of its Russian dividends to the reconstruction of Ukraine, and if that fails, will the Minister commit to acting and forcing it to do so through a special windfall tax?

James Cartlidge: I am grateful to the right hon. Lady and pay tribute to her for her long-standing record of holding Governments to account on issues such as sanctions and international finance—I was previously Justice Minister when we had the strategic lawsuits against public participation issue. She has been very active, including across party lines.

I entirely understand why people feel so strongly on this subject, and I feel strongly too—what Putin has done in Ukraine is appalling—but I am not going to comment on a specific UK company or taxpayer or their commercial decisions. I have set out the range of measures we are taking, and it is important to stress that while we all want companies that have committed to divesting to do so, there are of course issues. I do not say this with specific prejudice to any individual, firm or company, but, for example, should a firm divesting from Russia by selling its shares sell them in such a way that they returned to an individual entity that was sanctioned, there would rightly be condemnation of that. This is not a straightforward process—and I repeat that I do not say that in reference to any specific company.

I totally agree that we should do everything possible to support the people of Ukraine, and we can be very proud of the enormous effort our country has made. The right hon. Lady rightly talked about our duty, and I believe we have a duty to support Ukraine. We are second only to the United States in the amount of aid we have given to the people of Ukraine, now totalling over £6 billion, and, as I understand it, we have been training its soldiers—22,000 of them—since 2015. This country has done its bit in relation to Ukraine. We are proud of that, and of course we want to do more and go further, which is why we work with our partners; that is why only on Monday we announced a decision in partnership with G7 states and Australia in relation to Russian oil across the piece. We have a record of taking decisive action, and in terms of the Treasury, of the most powerful sanctions against Russia on record, which is hitting its economy. We of course have no dispute with the Russian people, who will feel the impact of that, but we are doing everything possible, bar direct military action, to support the people of Ukraine.

Dr Julian Lewis (New Forest East) (Con): I am sure the entire House agrees with the Minister that the UK has done a tremendous job in supporting Ukraine ever since it was illegally invaded, but what we want is a way for the Government to intervene to stop private companies somehow drilling a hole in the bottom of the bucket, as it were, while we are pouring in water at the top. Is there really nothing that can be done to impound, confiscate or levy a tax against money that has been raised in this unacceptable way?

James Cartlidge: I pay tribute to my right hon. Friend for his great expertise on these matters but say to him that we have to differentiate. We have taken explicit and direct action on firms within the sanctions regime—120 entities and 1,200 individuals have been sanctioned and, as I said earlier, £18.4 billion-worth of frozen assets have so far been reported to the UK Government. There has been a clear commitment from a number of important UK and indeed global businesses to divest from Russia—I am not specifically talking about any one—but we must recognise that there is complexity in that. When the Prime Minister was Chancellor back in March, he was very clear about what the Government want in terms of divestment, and we obviously support companies in taking that action, but I am happy to look at what further can be done in this space and to work with colleagues.

Mr Pat McFadden (Wolverhampton South East) (Lab): I thank my right hon. Friend the Member for Barking (Dame Margaret Hodge) for tabling this urgent question.

Right now in Kyiv, the temperature is around freezing. Putin aims to weaken the resolve of the Ukrainian people by freezing them over this winter. But with every Russian missile that falls on energy infrastructure, he does not weaken the resolve of the Ukrainian people—he strengthens it. The resounding answer to the question posed by President Zelensky—without electricity or without you?—should be heard loudly and clearly in Moscow.

To support the efforts of the Ukrainian people, many British companies have ceased their Russian operations and divested themselves of their interests. Those decisions have cost businesses money, orders and jobs, but they have made them because they want to do the right thing. And other businesses are paying higher energy costs as a result of the war. But some companies either continue to operate or have not fully divested themselves of their interests.

The excess profits made by energy companies have rightly been called the windfalls of war. Energy is the central pillar of the Russian economy and the profits from it fuel the Russian war effort. My right hon. Friend the Member for Barking has told the House today that the dividend due to BP as a result of its stake in Rosneft is worth about £580 million. Those funds may be frozen at the moment, but what do the Government believe should happen to those funds when they are eventually released? Do the Government believe that those funds should be used for the welfare and benefit of the people of Ukraine, whose country is being devastated by Russian aggression? How many other British companies are still operating in Russia and why are they still operating? What is the Government's position on money they could be making there, which could also be described as the windfalls of war?

We are united across this House in our support for Ukraine and for the incredible bravery shown by both its armed forces and its people. The question the House poses today is how will the Government make sure that British companies are not profiting from the appalling Russian aggression we have seen in Ukraine?

James Cartlidge: The right hon. Gentleman poses a number of very important questions. On a general point, he talks about strengthening the resolve of the people of Ukraine. This country can be rightly proud of every step it has taken to strengthen that resolve, and, I must say on record, of the leadership of two former Prime Ministers, as well as the current Prime Minister. They have shown extraordinary leadership appearing in Kyiv under huge pressure and supporting President Zelensky, alongside the support we have given to the Ukrainian armed forces and our massive humanitarian aid. I know there is consensus on that, but we should not in any way be defensive about the steps we have taken to support the Ukrainian people.

The right hon. Gentleman talks about companies doing the right thing. He is absolutely right that companies are divesting and exiting from Russia. We welcome that. I explained about the statement made by the Prime Minister when he was Chancellor back in March, which is obviously something we welcome. I think there are some complexities in that process and I will not be drawn on individual firms. That is long-standing Treasury policy for very good reason.

The right hon. Gentleman mentions the windfall tax. We have a windfall on North sea oil and gas which will raise £41.6 billion—an enormous sum of money. Why are we raising that money? It is in part precisely to fund the extraordinary support we are putting in place to help British people and British businesses through this winter. He talked about the impact on companies of Putin's war and the impact on people. Yes, of course, the harshest impact is on the people of Ukraine, not least the bereaved families, but there is an impact on our people with higher prices, including energy prices, here and throughout Europe and the world. Our windfall tax funds that support so that this winter we are doing everything possible to support our businesses and our people, alongside massive support for the people of Ukraine.

Mark Pritchard (The Wrekin) (Con): There is no doubt that the UK has led the Ukraine war effort with the United States, and there is no doubt that the UK has led the international sanctions regime, but this urgent question is about UK companies. Does the Minister share my concern that DP Eurasia is selling pizzas in Russia, Unilever is selling Cornetto ice creams in Russia, and HSBC is still servicing Russian corporate clients? Does he think that is acceptable? What more action can the Government take to encourage those companies to remove their services and businesses from Russia and to divest themselves fully, rather than just give interviews to corporate magazines and offer warm words?

James Cartlidge: My hon. Friend makes an important point. It is for good reason that we do not entertain specific discussions on individual companies and their commercial interests, but we have been very clear on the need to divest. We have an outright ban on investment

in Russia, and I sincerely hope that companies are not abusing that. I am not going to suggest that the companies he mentioned are doing so or comment on those specific cases, but I am always happy to meet my hon. Friend, or receive correspondence from him, if he has concerns in that regard.

Alison Thewliss (Glasgow Central) (SNP): It seems to me to ring a little bit hollow to say that companies are still trying to unwind their various operations in Russia. If some companies can do that quite easily, can the Minister explain to me why companies such as Infosys are still working in Russia?

James Cartlidge: As I said to the right hon. Member for Barking (Dame Margaret Hodge)—I apologise if this becomes a relatively repetitive point—I am not going to comment on specific individual companies. As I say, there is very good reason for that, and it is a long-standing Treasury policy that I think any Government would follow.

We have set out our policy. In my opening answer to the right hon. Member for Barking, I read out the statement from the Prime Minister when he was the Chancellor. We have been very clear that we want to see companies divesting from Russia. There are some complexities in there—of course there are—but the direction of travel is very clear.

Mr Mark Francois (Rayleigh and Wickford) (Con): As a Member of the House of Commons Defence Committee, I visited Ukraine about three weeks ago. We were welcomed literally with open arms, so grateful are the Ukrainians for staunch British support. They know a hard winter is coming, so may I make a practical suggestion? They clearly need more weapons, but they also desperately need generators in order to keep hospitals and other critical facilities operating even if they lose main power stations to missile strikes. Is there anything the Minister and the Government can do to encourage UK companies of all types that might be able to spare even one or two generators from their stocks to get them to Ukraine, where they would be put to incredibly good use?

James Cartlidge: My right hon. Friend speaks not only with his expertise on the Defence Committee; he also served in His Majesty's armed forces and, of course, as a Defence Minister. He makes a very important point, and I was delighted to hear about his visit. It is inspirational to me and, I think, to the rest of the country when we see leading British politicians going over to Ukraine and showing that we are not afraid to go there. We will give the Ukrainians every form of support that we can.

On the specifics of that support, my right hon. Friend makes a good point about generators. I do not know the specific answer on that, but I do know that the Foreign Secretary recently set out measures to provide ambulances. Of course, the energy network is being affected by attacks from Russia, so military support remains so important, because that is how we enable the Ukrainians to defend themselves so that they can thwart these attacks. It will be tough, and there will be further attacks—this is not going to finish tomorrow—but we are doing all we can, and it helps when people such as my right hon. Friend are going out there and showing the support of the British people.

Chris Bryant (Rhondda) (Lab): I am sorry, but this is just terribly complacent. It is 3,218 days since the annexation of Crimea, and there are still British companies that seem to be invested in Crimea, let alone British companies—including Infosys, from what I understand; the Minister did not refute that point earlier—that are still operating in Moscow and Russia with a staffed office. He says he will not comment on individual companies, but he does it all the time: that is what sanctions are. That is the whole point of sanctions. Some £778 million-worth of Russian oil has ended up coming into 10 British ports this year, having been transferred from one ship to another on the route here. This is complacency. We have to have a total effort from every Government Department to make sure that we stop funding Putin's illegal war.

James Cartlidge: As ever, the hon. Gentleman makes his point with his usual passion. The point I was making was not to refute or in any way entertain points about individual companies; I am simply saying that it is long-standing Treasury policy not to comment on individual taxpayers or companies, or on their commercial activities, and I suspect that would be true of any Government.

The hon. Gentleman mentions oil. I remind him that on Monday, in alignment with coalition partners, we banned the import of Russian oil and oil products into our markets. In conjunction with partners, we have prohibited UK ships and services from the maritime transportation of Russian oil unless the price paid is at or below \$60 a barrel.

Jason McCartney (Colne Valley) (Con): As the secretary of the all-party parliamentary group on Ukraine, and as a constituency MP with a large Ukrainian community, I gently prompt my hon. Friend the Minister to urge BP, if it is unable to sell its stake in Rosneft, to take the profits and commit them to the reconstruction of Ukraine and to aiding the victims of Putin's barbaric invasion.

James Cartlidge: My hon. Friend is right to remind us of the many Ukrainians who have made their home here and, of course, the many UK nationals who have opened their homes to them. It has been an extraordinary contribution. The reason we do not comment on individual companies' commercial affairs is that, for a start, these are matters of commercial sensitivity. I appreciate that there are strong feelings on this point, but that is a consistent policy irrespective of the issue at hand.

We have been very clear on the need to divest from Russia. We have put in place a strong sanctions regime and banned further investment in Russia. I think that sends very strong signals, but we should not detract from the fact that this country is second only to the United States in what it is doing to support the people of Ukraine.

Darren Jones (Bristol North West) (Lab): Last week I met Andrii Zhupanyin, a counterpart of mine from the Energy Committee in the Ukrainian Parliament. His priority was to source as many generators as possible to back up the Ukrainian energy system, so may I ask the Minister a specific question? Will he, at the very least, write to the chief executive officer of BP to suggest that the moneys gained by the company be used to pay for generators for Ukraine?

James Cartledge: I should say that we have seen a positive attitude and support for Ukraine from across the House. On the specific issue of generators, I will go away and look at it. I will write to the hon. Gentleman and my right hon. Friend the Member for Rayleigh and Wickford (Mr Francois), because I do not have the answer to hand.

I will not comment on what individual companies do. We in the Treasury are responsible for UK tax and spending decisions, and we have been extremely clear in setting out a windfall tax, which will be funding energy support for our constituents this winter and now, in fact, next year. That is very generous support, and it is ultimately connected to the impact on our country from Putin's illegal invasion. All of this is about supporting the people of Ukraine but also helping our people with the wider shocks resulting from that invasion.

Rehman Chishti (Gillingham and Rainham) (Con): I very much welcome what the Minister said about the United Kingdom stepping up to the forefront in support for the people of Ukraine militarily, economically and diplomatically. As the former Minister for sanctions, I agree with him that the United Kingdom took decisive action, but may I ask him to clarify a specific point? On the oil price cap coming at \$60 per barrel, that is not set in stone. It can be subject to review, taking into account implementation, international adherence and alignment, market developments and the potential impact on coalition members. When does he expect that review to take place so that we can take further decisive action, looking at the levers that are really having an impact?

James Cartledge: I am grateful to my hon. Friend, who speaks with great expertise on these matters. The key point is that the action in relation to oil was agreed at G7 level with Australia. He talked about the review, and it is very much about the constant dialogue we have with international partners—that is where we will be reviewing these things. Obviously, it is a step we have only just taken, but I am happy to confirm that, as ever, the Treasury keeps all these matters under review.

Sarah Olney (Richmond Park) (LD): On 17 November, my hon. Friend the Member for St Albans (Daisy Cooper) asked the Prime Minister whether he agreed that

“private citizens in the UK should follow the example of several British businesses and sell any shares they have in businesses that still operate in Russia”.—[*Official Report*, 17 November 2022; Vol. 722, c. 837.]

For some reason, the Prime Minister was unable to give my hon. Friend an answer on that occasion, so I wonder whether the Minister might be able to answer that question today.

James Cartledge: That is an important point and I understand why the hon. Lady asks about it. In March the Prime Minister—as Chancellor—set out our very strong position on urging companies to divest, making it clear that there was no further case for investing in Russia. As for what happens with individual shareholdings, I said that I would not comment on specific companies and, to be fair, the hon. Lady has not asked me to. However, as I hope we can all acknowledge, it is not necessarily straightforward to divest. We want companies to do that, but as I said to the right hon. Member for

Barking (Dame Margaret Hodge), if firms divest their shares, they have to be clear that any new owners will comply with the sanctions regime and that they will not be sold on to an entity or individual who is part of the regime. It is not straightforward, but that does not mean that we do not want every possible step to be taken to divest.

Shaun Bailey (West Bromwich West) (Con): The flipside of this narrative is that companies are doing the right thing. I am concerned—I have read such reports locally—about companies that have divested their interest in Russia but are now struggling to get legal and audit services. As a result of having that previous interest, companies are reluctant to touch them. It is bizarre that companies and organisations that have done the right thing cannot access those statutory services. Will my hon. Friend ensure that he has conversations across Government, particularly with the Department for Business, Energy and Industrial Strategy and professional service providers, to ensure that companies that do the right thing on Russia are not penalised as a result?

James Cartledge: My hon. Friend—I think he was a lawyer by training—gives a good example from a sector where one can imagine that might be happening. If firms are complying with the regime, other firms should have no fear of working with them. If he wants to raise specific cases with me, he is, as ever, welcome to write to me. He makes a very good point and it is on the record.

Ms Marie Rimmer (St Helens South and Whiston) (Lab): The French and Norwegian energy companies have successfully managed to exit Russia while BP has not. That is embarrassing, and the stain on Britain's reputation needs removing. We appear to be undermining our efforts to support Ukraine and its people. The Treasury must ensure that the £580 million dividends that are due are used to provide aid to Ukraine and its people. Will the Minister ensure that if that does not happen, we will legislate to ensure that it does?

James Cartledge: I understand why people make the link between what they have heard alleged about the shareholding of a particular company and how that should be spent, in an ideal world. I cannot comment on an individual company or its commercial interest and I am not going to, but I understand why people make that point. It therefore falls to us to talk about where we can act. The hon. Member talks about humanitarian assistance. We have given more than £6 billion of assistance—military aid and humanitarian assistance—and that is second only to the United States in scale. It is having a huge impact. We can safely say that the world, and least of all Vladimir Putin, did not expect Ukraine to fight back as it has done. One reason for that is the armaments and training provided by the United Kingdom.

Simon Fell (Barrow and Furness) (Con): European payments for Russian oil and gas have totalled more than €100 billion since the illegal invasion of Ukraine began. I welcome the efforts of this and other Governments to end the use of that oil and gas, but the fact remains that millions of barrels of oil a day are still being resold through third-party countries back into our markets. Can the Minister give us some detail about the efforts to stop that illegal resale, which is just giving succour to Putin and his illegal war?

James Cartlidge: My hon. Friend makes an excellent point. As I said, not only have we banned the import of Russian oil and oil products into our markets but, in conjunction with other parties, we have prohibited UK ships and services from the maritime transportation of Russian oil unless the price paid is at or below \$60—in other words, the onward trade from within our respective jurisdictions. Effectively, he also makes an important wider point about the amount of money that has been spent in Europe on Russian energy historically. There has to be a long-term answer to that. Ultimately, we as a country, and with our European and G7 partners, have to wean ourselves off all forms of Russian energy. The way we do that, as he knows—he represents a Cumbrian constituency—is by investing in nuclear and UK energy production, as well as by living up to our net zero commitments and driving up even further our offshore wind capacity, which, I am proud to say as an East Anglian MP, is the largest array of offshore capacity in Europe.

Clive Efford (Eltham) (Lab): Should not the position of the Government be that UK companies must not profit from activities that sustain Putin's war? And having said that, should the Government not say to those companies, "Where you do profit, we will use all the powers at our disposal to sequester those funds and make them available for the regeneration of Ukraine"?

James Cartlidge: We have set out precisely that with the commitments that the Prime Minister made in March, when he was Chancellor, on the desire to see businesses divesting from Russia. The hon. Member for Eltham (Clive Efford) is aware that there have been many high-profile public cases of firms divesting, and other colleagues have spoken of companies in their constituency. They all use the phrase that the shadow Minister used, which is "doing the right thing," and I totally agree. Ultimately, that is why we have our very strong sanctions regime.

Derek Twigg (Halton) (Lab): I congratulate my right hon. Friend the Member for Barking (Dame Margaret Hodge) on securing this important urgent question, and I associate myself with the calls for generators for Ukraine. For Putin to be defeated, and for him to know that he will be defeated, it is essential that there remains rock-solid support for Ukraine from the UK and the west. Not only is that about defence materiel, military equipment and humanitarian aid, but it means ensuring that no British company, for whatever reason and in whatever way, benefits Putin's regime. The Minister mentioned a desire to achieve certain things, but a desire is not enough, so will he go away and look again at what more can be done in legislation—if necessary, through new legislation—to ensure that that situation stops, and will he make a statement to the House next week?

James Cartlidge: We always keep our sanctions regime under review. In particular, we are looking with our international partners at what more can be done on illicit finance and so on. [*Interruption.*] The hon. Member talks about desires, but these very strong sanctions are having an impact in practice on Russia's economy. We are sanctioning 1,200 individuals and 120 entities. We have already heard reports of frozen assets worth £18.4 billion. What matters above all—this is what he

wants—is that we stand with the people of Ukraine and show that we support them. No country, other than the United States, has done more than we have, and we should be proud of what we have done. I absolutely guarantee that the Government will work night and day to keep supporting the people of Ukraine in the wake of this terrible invasion.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): May I raise the issue of a UK company, the Lawn Tennis Association, being fined \$1 million by the ATP—Association of Tennis Professionals—tour for banning Russian and Belarusian players from all tournaments, including Wimbledon, with further sanctions potentially to come? That is on top of a similar fine and ruling from the Women's Tennis Association. Will the Minister join me in condemning the ATP and the WTA, which have both shown an extraordinary lack of empathy towards the people of Ukraine? Given that they were rightly urged by Ministers to ban Russian players from the tournaments, might the Government pay the fines for the LTA, should any appeals fail?

James Cartlidge: That is an interesting point. My colleagues have been clear on the record about where we stand on that. I will not comment on any specific appeals, but our sanctions regime, to which he referred, is very strong and is working in practice. We are always committed to looking at what more we can do as a Government and working with our international partners.

Karl Turner (Kingston upon Hull East) (Lab): Fenner Dunlop has existed in Marfleet in my constituency since the company Fenner was established in 1861. It manufactures conveyor belts for the mining industry. It refused to trade in Russia and has done the right thing. As a result, it is reviewing the business in Marfleet and 71 jobs are potentially at risk. Everybody can see that the company needs to be commended—it is an excellent employer—but the reason the Minister is having difficulty mentioning specific businesses is because one of them is Infosys. Does he want to put his finger on why he is struggling to talk about that business?

James Cartlidge: As ever, I am grateful to the hon. Gentleman for his question. All I will say about the company in his constituency—in Marfleet, I think—is that companies divesting their interests in Russia will undoubtedly have an economic impact at home. They will have gone into that market for a commercial reason and there will be a commercial impact if they divest. We have to do everything possible to show our resolve to the people of Ukraine. That includes strong economic sanctions, even if they have an impact here, but by far the biggest economic impact is on our economy from the enormous surge in energy prices and the resulting inflation. Global inflation will drive the economy around the world to experience a hiatus in growth. We want to see growth return, and one of the reasons that we have windfall taxes is to raise funding to support our constituents and businesses through this winter.

Andy Slaughter (Hammersmith) (Lab): The Exchequer Secretary cannot have failed to notice the exhibition in Portcullis House showing the gross human rights abuses committed by Russian forces in Ukraine. As well as justice, the victims of these war crimes deserve

[*Andy Slaughter*]

compensation, but so far that has not come from seizing and distributing the assets of Putin's allies or the Russian state. Why can it not come from BP and others' Russian earnings?

James Cartledge: I always enjoyed working with the hon. Gentleman in my previous position at the Ministry of Justice. He makes an extremely powerful point. The abuses that we have seen have been horrific, and he is right to draw attention to them. A great range of activities are taking place in that regard—for example, the significant support that we have given to the International Criminal Court at The Hague so that it can look into those abuses. Of course, it will be very difficult until we get a resolution to the conflict, which is why the most important thing we can do in all these cases is to continue supporting the people of Ukraine, their armed forces and the humanitarian effort.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): I fully support the right hon. Member for Barking (Dame Margaret Hodge) in her efforts. Would not one way to dissuade UK companies from investing in Russian oil assets and to encourage disinvestment be to prohibit any such companies from benefiting from the North sea windfall tax investment allowance?

James Cartledge: The hon. Gentleman asks an interesting question, knitting together two points. To be fair to him, I have to say that he has consistently attended all the recent Treasury debates at which I have been present. I am grateful to him for that.

We should not confuse divesting and investing. We are clear that there is an outright ban on investing in Russia: the Prime Minister said back in March, when he was Chancellor, that there was “no case” for such investment. Divestment is happening. It is a process that for some companies will take time, but I think we are all clear that we want to see it happening.

The hon. Gentleman is absolutely right to highlight the windfall tax. While it will raise more than £40 billion to support our economy, help us fund public services and, above all, support people with energy bills this winter, it does have a generous allowance. Let me be clear about the reason why, which goes back to my answer to my hon. Friend the Member for Barrow and Furness (Simon Fell): while we want to raise funds from

the levy, we also want to incentivise investment in energy security. Ultimately, the long-term answer to the question of how to defend ourselves against being held to ransom over energy prices is by ensuring our energy security for the future.

Jim Shannon (Strangford) (DUP): I thank the Exchequer Secretary for his answer to this urgent question. It is clear to me and to the House that he is doing his best to address the issue in a firm way.

We have seen not only the continued involvement of UK companies in Russia, but the ongoing involvement of Russian companies and kleptocrats in infiltrating UK companies potentially to commit fraud. What steps will the Exchequer Secretary take to ensure that UK companies are discouraged from any involvement with the Russian economy and ensure that a harder stance is taken to protect our economy from the promotion of economic crime and infiltration by Russia itself?

James Cartledge: As ever, Mr Speaker, you have saved the best till last. I am grateful to the hon. Gentleman for his kind words. There is a legal side to protecting our economy—the sanctions regime protects it from the impact of sanctioned individuals and companies—but I think the most important way to protect our economy is by providing support this winter to our businesses and constituents, including constituents in Northern Ireland. We will be bringing forward many energy schemes with specific application in Northern Ireland; I know that he takes a keen interest in them. We are working with BEIS to ensure that we deliver those programmes in Northern Ireland, as well as in the rest of the United Kingdom. The hon. Gentleman makes an excellent point. Ultimately, we are supporting not just the people of Ukraine, but our businesses and our constituents.

Mr Francois: On a point of order, Mr Speaker—

Mr Speaker: Order. It cannot come now. It has to come after the next statement.

Mr Francois: It is just something that we wanted the Business Secretary to hear.

Mr Speaker: Well, we cannot change the rules. There are more Members than you with points of order—that is my problem. I would be opening a can of worms. I would love to, but I dare not.

Post Office: GLO Compensation Scheme

Mr Speaker: I wish to make a short statement about the sub judice resolution. I have been advised that there are relevant active legal proceedings in the Court of Appeal. I am exercising the discretion given to the Chair in respect of matters sub judice to allow reference to those proceedings, as they concern issues of national importance. However, I urge hon. Members to exercise caution in what they say and to avoid referring in detail to cases that remain before the courts.

1.14 pm

The Secretary of State for Business, Energy and Industrial Strategy (Grant Shapps): With permission, Mr Speaker, I should like to make a statement about Horizon and Post Office group litigation compensation.

The Horizon scandal is nothing short of a travesty. Today, I turn to those who lost everything—those who were driven to bankruptcy and lost the savings for which they worked all their lives; those who were falsely accused and lost their good name in our country's courts; those who were falsely convicted and lost their freedom in our country's prisons; and all those who, having lost everything possible, then took their own lives—to say that we should not be here and it should not have happened. It should have been said years ago, and I want to say it today: I am sorry. I am sorry for those years of pain, of hurt and of anguish. I apologise unreservedly for any part that my Department has played, historically, in this miscarriage of justice.

The Post Office is a public institution. It exists to serve the British people. That the best of us, our postmasters, could be subject to such intolerable injustice does not bear thinking about. This is a wrong that can never be put right, but I hope that the steps that we are taking today will be of some comfort to those who have fought and who continue tirelessly to fight for justice. We want the postmasters who exposed the scandal through the High Court group litigation order case to receive similar compensation to that available to their peers. That is what is right, and it is what is fair.

On 2 September, my predecessor at the Department for Business, Energy and Industrial Strategy, my right hon. Friend the Member for Spelthorne (Kwasi Kwarteng), wrote to those in the group litigation order case to ask their views on whether the Department or the Post Office should administer the scheme, which will deliver additional compensation to those postmasters who originally brought the case to court, and what form they would like it to take. The majority view was that BEIS should deliver an alternative dispute resolution approach, using the information prepared for the GLO case, so that is the route that we will now follow. Over the past three months, a great deal of work has been done to develop the details of the scheme, drawing on comments made in the consultation. I am writing to members of the group litigation today with further information about how it will work.

For too long, our postmasters have been left to endure devastating financial hardship. I am therefore pleased to say that all Post Office and Horizon-related compensation payments will be disregarded for benefits purposes. Once the disregard is in place, payments received by postmasters will no longer count towards

the capital limit for means-tested benefits and pension credits, and will therefore not affect their eligibility to claim for them. The Government will legislate to put that disregard in place at the earliest opportunity.

We are now asking claimants to work with their representatives on their claims. In parallel, we are working to engage alternative dispute resolution specialists and lawyers to deliver the scheme. Those experts should be on board in the early spring, at which point full claims can start to be submitted and assessed. I hope that compensation will start to flow before the summer and that most cases can be resolved before the end of 2023.

We have already announced that we will meet postmasters' reasonable legal costs in claiming under the scheme, and to ensure that lawyers can get to work on preparing claims, we are announcing details today of the funding available to enable postmasters to access initial legal support. We will shortly be inviting claimants' lawyers to make proposals for commissioning the expert evidence that they will need. I have placed a copy of my letter to GLO postmasters, together with a number of supporting documents, in the Library of this House and on the Department's website today.

Finally, we will create an independent advisory board for the scheme, chaired by Professor Chris Hodges, an expert in alternative dispute resolution. Alongside Professor Hodges, the membership of that board will include Lord Arbuthnot and the right hon. Member for North Durham (Mr Jones), who are recognised by Members on both sides of the House for their many years of outstanding campaigning for the wronged postmasters.

We are honoured to have members of the GLO group with us here today, but I know that nothing we do now will ever put right the decades of wrong. There are so many who cannot be here today, some because they are no longer with us and never lived to see their dignity returned to them by those who stole it. To all of you, I say that I am sorry for these past historic injustices that you should never have suffered.

I commend my statement to the House.

1.20 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I welcome today's statement and apology, which represent an important step forward in the delivery of justice following what may well be the largest miscarriage of justice in our country's history. There have been 900 prosecutions. All the postmasters involved have their own stories of dreams crushed, careers ruined, families destroyed, reputations smashed, and lives lost. Innocent people have been bankrupted and imprisoned.

Let me start by paying tribute to the Justice for Subpostmasters Alliance, the campaigning group, and to the hundreds of sub-postmasters whom no monetary amount can compensate for the injustice that they have suffered. This has been a long walk towards justice, and Members in all parts of the House have stood and spoken out in solidarity with the postmasters. I want to recognise, in particular, my right hon. Friend the Member for North Durham (Mr Jones) and Lord Arbuthnot, who are rightly to be members of the independent advisory board.

I also pay tribute to the Minister who was previously formerly responsible for the Post Office, the hon. Member for Sutton and Cheam (Paul Scully). I do not do so lightly, but after successive Conservative Governments

[Chi Onwurah]

had sat on the scandal, he was the first to take hold of it and eventually—following much campaigning by Members of Parliament and members of the Labour party—to establish a statutory inquiry. Finally, I want to thank the journalist Nick Wallis, whose BBC Radio 4 series “The Great Post Office Trial” did much to bring this scandal to general attention.

While I am pleased that some kind of acceptable outcome for the postmasters seems finally to be in sight, I have some questions to ask. The press release refers to a compensation scheme for postmasters who helped to expose the scandal, but I remind the Secretary of State that it was his Government who spent years aiding and abetting the Post Office in targeting those self-same postmasters who were looking for justice. Nearly £100 million was spent by the Post Office to defend the indefensible as part of a campaign of intimidation and deceit. The Government are the only shareholder in the Post Office, so it is right for the Secretary of State to take responsibility.

At the core of this unforgivable scandal is the belief that workers were dishonest and technology infallible. Perhaps that is not surprising, given the Government's track record on defending the rights of working people. Decent, honest people have had their lives torn apart, have been put in prison, and have been made to wait years for justice. Will the Secretary of State tell us how long he expects it will take for this scheme, and the other schemes, to pay the appropriate compensation, and whether the aim of these schemes is to return people to what would have been their original position had it not been for their involvement in Horizon? Will he also tell us which legal firm will be involved in the administration of this scheme, and whether that firm has previously advised either the Government or the Post Office on this matter?

Value for taxpayers' money is a key consideration on this side of the House, even if the Government like to waste it. Having wasted tens of millions of pounds on persecuting postmasters, can the Secretary of State tell us where the money for the scheme will come from as we face a cost of living crisis made in Downing Street? Will post office services suffer, or will other budgets be cut? The press release does not mention the Justice for Subpostmasters Alliance or Alan Bates, who led its efforts. Does the scheme have their full support?

I hope the Secretary of State agrees that those who were involved in this injustice should not benefit from their involvement. Will he tell us how he intends to hold Fujitsu to account, and whether it is still being given Government contracts? Will he also tell us whether he supports the continued retention of the CBE that was awarded to Paula Vennells—who oversaw the Horizon scandal—for services to the Post Office?

The Post Office is a national institution. It is part of so many of our lives. Its reputation has been hugely tarnished by this scandal, and I hope the Secretary of State will tell us how he intends to ensure that this never happens again and that the sub-postmasters receive justice as soon as possible.

Grant Shapps: I am grateful for the hon. Lady's comments, although I rather hoped the House would come together today and debate this matter in a non-political, cross-party way, and she sought to make a

number of, I think, somewhat inappropriate political points. I should gently point out that it was her party that was in power for the first 11 years of this scandal. I am pleased that we have worked across parties to fix it, and I think we should leave it there.

Earlier today I spoke to Alan Bates, the founder and leader of the Justice for Subpostmasters Alliance, who is sitting in the Public Gallery. Obviously the members of the JFSA will speak for themselves, as they always have, about the extent to which they are satisfied with today's statement, but we have been working closely together. The Minister for Enterprise, Markets and Small Business, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), has been meeting them as well, and will be keeping a close eye on the operation of the scheme.

I reiterate the hon. Lady's comments in thanking not just the right hon. Member for North Durham (Mr Jones)—as I did earlier—but my hon. Friend the Member for Sutton and Cheam (Paul Scully), Lord Arbutnot, and others who have campaigned endlessly on this issue, including the BBC journalist Nick Wallis, who has played an important role in this long battle.

The hon. Lady asked about timescales. As I said in my statement, we aim to complete this part of the scheme by the end of 2023, or, I hope, sooner. The large number of documents that we are putting online this morning will enable people to get on with processing their applications before making formal applications early next year. Sir Wyn Williams, who is conducting the formal inquiry, will, I hope, be able to shed significant light on what went wrong and provide a set of recommendations to prevent it from happening again. I have no doubt that Members, certainly on this side of the House, will be anxiously awaiting those recommendations.

Dr Julian Lewis (New Forest East) (Con): Will the inquiry which I gather is still under way ever reveal to the public how it was possible—in a modern constitutional democracy, with the presumption of innocence operating in our justice system—for hundreds of people with unblemished personal records to be prosecuted, tried and convicted because it was deemed that a computer programme could not be wrong?

Grant Shapps: The simple answer is yes, and that is the purpose of Sir Wyn Williams's inquiry. I should remind the House that it could lead to individuals' taking specific responsibility on the basis of his recommendations, and to the legal process that might consequently unfold.

As I said to the GLO group earlier today, anyone who has observed this from afar, watching and listening to coverage from Nick Wallis and others over the years, must feel their blood boil at the sheer injustice of a computer programme being placed ahead of people's lives. I think that makes all of us shudder. I am only pleased that in this particular case, because of a group of people who undertook the most proactive work to try to get to the truth, we are now able to ensure that their compensation matches everyone else's.

Mr Deputy Speaker (Mr Nigel Evans): I call the Chair of the Business, Energy and Industrial Strategy Committee.

Darren Jones (Bristol North West) (Lab) *rose*—

Mr Deputy Speaker: Oh, I am sorry, Darren. I forgot; it is Marion Fellows first.

Marion Fellows (Motherwell and Wishaw) (SNP): I do not mind being forgotten, Mr Deputy Speaker, but I am glad to be called. I hope this is not being added to my two minutes.

I want to thank the Minister for giving me advance sight of his statement. I particularly want to thank the Justice for Subpostmasters Alliance, and especially Alan Bates, who I have had the pleasure of speaking to at the all-party parliamentary group on post offices. I also stand here to say thank you so much to the right hon. Member for North Durham (Mr Jones) and to Lord Arbuthnot. Who would have thought I would be thanking a Lord in the other place?

I stand here in the shoes of giants. I take advice from everyone as chair of the APPG, but one thing I am sure of is that there are people right across this Chamber who will be watching the progress of this new scheme carefully. We welcome it—it is long overdue—but people will be watching to make sure that it runs properly. I want to thank the hon. Member for Sutton and Cheam (Paul Scully) and also the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Thirsk and Malton (Kevin Hollinrake), who invited me along to a meeting on this subject. It is important that people are watching, it is important that the scheme works and it is very important indeed that those who have suffered, and those who are left behind, are adequately recompensed.

Grant Shapps: I add my thanks to the chair of the all-party parliamentary group on post offices for all the work she has done with colleagues over this considerable period of time. I absolutely agree with her about the importance of making sure that this all now happens. She is right to say that Members across the House will be watching that closely, and none more so than the small business Minister, my hon. Friend the Member for Thirsk and Malton, I can assure her.

Lucy Allan (Telford) (Con): I welcome the tone and nature of the statement that the Secretary of State has just made; I am delighted to hear his approach to this. I am also pleased to see at his side the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Thirsk and Malton, who I know will keep postmasters front and centre of everything he does. Post Office workers rightly deserve compensation, but they also deserve justice, and to get justice they need those responsible for the suffering they endured for so many years to be held to account. It is possible that, within the Secretary of State's Department, there are officials who were potentially responsible for what happened. What can he say to those sub-postmasters who are going to engage in this compensation scheme with an open mind to give them confidence that BEIS will act properly, fairly and promptly in all its dealings with them?

Grant Shapps: I can absolutely give my hon. Friend the assurance that, under my tenure, there will be no stone left unturned when it comes to this. I want to pay tribute to her for her work on bringing justice to this important cause; I know that she has had a number

of constituency cases in Telford. I can absolutely reassure her that, whether it is in the Post Office or anywhere else, we will make sure that no stone is left unturned.

Mr Deputy Speaker: Take two: I call Darren Jones.

Darren Jones: Thank you, Mr Deputy Speaker.

I welcome the announcements made today, which were recommended in my Committee's interim report on compensation and by many others, and I welcome the appointments of my right hon. Friend the Member for North Durham (Mr Jones) and Lord Arbuthnot in the other place. In respect of the benefit disregards, can the Secretary of State confirm when the statutory instrument will be tabled? It will not take long to do, and it should be done quickly. Can he also confirm that while we are waiting for the benefit disregards to come into force, the victims who suffer loss as a consequence of that will be given additional compensation to cover the deductions from their benefits and pension payments?

Grant Shapps: I am just taking advice from my hon. Friend the small business Minister on the interim payments, and I think the answer is yes. On the scheduling of the SI, it will be done as quickly as possible in terms of parliamentary business, but that will not hold anything up because the payments have to be made first. They will be well in advance of that, and the commitment is in the statement today to lay the SI. Finally, I pay tribute to and thank the Chair of the BEIS Committee for all his and his members' work on the subject.

Andrew Bridgen (North West Leicestershire) (Con): I welcome my right hon. Friend's statement and I also thank his Department for allowing Back-Bench colleagues from across the House with a long-term interest in this topic to be involved in the formulation of the compensation scheme. Will he commit to keeping the House updated on the progress of the compensation scheme? Let us all hope that sometime in the near future he will be able to come to the Dispatch Box and tell us that all the compensation has been paid to the recipients.

Grant Shapps: I thank my hon. Friend, and yes, we will certainly keep the House fully informed. My hon. Friend the small business Minister will be providing updates as well. I want to pay tribute to my hon. Friend the Member for North West Leicestershire (Andrew Bridgen) for his work on, I think, at least one case in his constituency, where he has helped to keep this subject high on the agenda.

Mr Kevan Jones (North Durham) (Lab): I thank the Secretary of State for his statement. I also thank the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Thirsk and Malton (Kevin Hollinrake). It is nice to see a poacher turned gamekeeper in the Department. Can I also put on record my thanks to the hon. Member for Sutton and Cheam (Paul Scully)? In a long list of useless and indifferent Ministers over the years, he was the only one who actually got it and was determined to sort it out. I would also like to give my personal thanks to Alan Bates and the Justice for the Subpostmasters Alliance, because without them the truth would not have come out, and that happened in spite of the Post Office throwing a tsunami of cash—£100 million—at them to stop the truth coming out.

[Mr Kevan Jones]

This is the only scandal I have seen where cover-up and lies ran to the top, not only of the Post Office but, I have to say, of the right hon. Gentleman's Department. Today represents a move forward, and I welcome what is being done. Does the Secretary of State agree that what we need next, following the public inquiry, is for those individuals who were responsible for ruining people's lives—in some cases people took their own lives; others who were innocent went to prison—to be held to account? It has to be a determination for the Department to ensure that those individuals—whether they are in the Post Office or in his Department—face the day of reckoning that should be coming to them in a court of law.

Grant Shapps: I again pay tribute, as I think the whole House does, to the right hon. Gentleman's extraordinary work on this issue. He is right not only to highlight my hon. Friend the Member for Sutton and Cheam, who I have engaged with this morning over this, but to pay tribute to Alan Bates and all the work that he and his team have done. I was talking to him earlier. It was not until he got going in 2009 that this really started to unravel for the Post Office.

To the right hon. Gentleman's main point, he is absolutely right to say that we cannot allow an injustice such as this to not meet justice. Of course, we have a free legal system in this country, and Alan and his colleagues were saying to me earlier that if it were not for democracy and the freedom of our courts, we would never have got this far. To really get to the nub of the right hon. Gentleman's point: I agree with him, and we will not allow any process or shyness of what it might uncover to prevent the legal process from being able to run its full course.

Richard Graham (Gloucester) (Con): As a former chair of the all-party parliamentary group on post offices, I welcome the Secretary of State's statement, the compensation scheme announcements—particularly on the benefits disregard—and the comments on the timing of what will happen, but I think there are going to be some shocking lessons from all this that we will need to learn. These revolve around who knew what, and when, and what the role of the Federation of SubPostmasters was in standing up or not standing up for its members during this crisis. I hope the Secretary of State will agree that when the inquiry is finished there should be another debate in this House to make sure that we really do learn those lessons, including, as two or three Members have said, the crucial point about how technology cannot be wrong.

Grant Shapps: My hon. Friend is absolutely right. I had not realised that he was a former chair of the APPG, so I thank him for his work on this issue. On his central point, the lessons absolutely have to be learned. As I said earlier, anyone who has watched this just as a bystander, not having had their life turned upside down, can still feel their blood boiling, but what it was like to be involved in this must have been unimaginable. I hope this will be a salutary lesson for the idea that a computer can never be programmed in an incorrect way, or have a loophole or a problem, not just with regard to the Post

Office or even Government procurement but for every walk of life and everything that computers are now involved with.

Karl Turner (Kingston upon Hull East) (Lab): I thank the Secretary of State for his work in coming up with the scheme in such a short time. As he knows, I was instructed to defend one of these sub-postmasters in criminal proceedings. She should never have been investigated, let alone prosecuted. If the Post Office had done what it needed to do to comply with the disclosure rules, she would never have been convicted.

People at the very top must have made decisions to block defence lawyers getting information that was incredibly important to the defendants' defences. Those victims—those men and women in the Public Galley—and their families will not feel they have had justice until every single person responsible is criminally investigated, potentially prosecuted and, if convicted, sent to prison for a very long time. Will the Secretary of State assure the House that is his intention?

Grant Shapps: The hon. Gentleman is, as ever, a very powerful campaigner on this and many other issues. I know of his involvement in this subject.

Following what Mr Speaker said, I do not want to stray too far into the judicial area, other than to say, as I mentioned before, that when Sir Wyn Williams completes his inquiry and makes his recommendations, this Government will take every single proposal very seriously. Everyone, not just those directly involved but the country at large, must know and see that the overall system, both the democratic part and the courts, got to the truth in the end. Even when that happens, it will not mean the sub-postmasters get what they lost, given the misery it has caused, but it will at least demonstrate that the system can be made to work for justice in the end.

Jason McCartney (Colne Valley) (Con): I welcome my right hon. Friend's statement and, in particular, the apology.

Like many colleagues in this Chamber, I have got to know my constituent Maria and many others who have been impacted by this awful scandal. My right hon. Friend is right that this wrong cannot be put right, but I welcome the details provided today. Will he and the Department continue to work tirelessly not only for justice but for compensation for all the victims?

Grant Shapps: To my hon. Friend's constituent Maria, and to everybody else involved, the answer is yes.

Mr Alistair Carmichael (Orkney and Shetland) (LD): We are not quite at the end of the road, but there is a sense today that perhaps the end of the road is in sight. I echo colleagues in taking a great deal of comfort from the participation of the right hon. Member for North Durham (Mr Jones) and Lord Arbuthnot in future proceedings.

One of the lessons we have to learn is that it is all too easy for people in Government and people in public bodies to use taxpayers' money to defend situations where they have made mistakes. This is, by far and away, the most egregious example, but it is not the only example. As well as being involved in this issue for some time, I have been helping constituents who were defrauded by Midas Financial Solutions. They had to take the

Competition and Markets Authority to court, and they eventually received compensation, but those who took the case are still out of pocket to the tune of £2 million. That is exactly the same situation in which the sub-postmasters find themselves. Why should they be treated differently?

Grant Shapps: Again, it is a dangerous and sometimes potent mixture to have the backing of essentially endless taxpayers' money in a battle of David and Goliath. As the right hon. Gentleman knows, Ministers always have to be careful to weigh the advice to make sure that, when we wield the power of the state, we do so in the interest of society as a whole and not, as has clearly happened in this case, in a manner detrimental to individual citizens—in this case postmasters and sub-postmasters. His point is well made.

Siobhan Baillie (Stroud) (Con): I pay tribute to my constituent Nichola Arch and hundreds like her who have campaigned tirelessly and constructively, despite their lives being torn apart by this scandal. There are adult children of postmasters and postmistresses who have only known their parents' battle. It is right that the compensation scheme is generous and provides the necessary uplift to reflect the trauma of prosecution, and it is right that it is sensitively handled, but what we have seen with past Government compensation schemes, where the legal fees are covered, is that ambulance-chasing third-party organisations get involved and prey on the vulnerable, who are already exhausted. The upshot is often that the compensation is reduced to pay these third-party organisations. Will my right hon. Friend tell the postmasters and postmistresses from the Dispatch Box that the scheme has been designed so they do not need to rely on ambulance-chasing organisations and that all compensation should go into their pockets?

Grant Shapps: My hon. Friend makes an excellent point. As the right hon. Member for North Durham has also said, we do not want to see a complex and expensive legal process that costs a fortune for those who should have been compensated long ago. That is why this is going through an alternative dispute resolution process. We will also provide assistance in pulling the papers together so that people can make their applications as easily as possible.

Clive Efford (Eltham) (Lab): I also pay tribute to Lord Arbuthnot, my right hon. Friend the Member for North Durham (Mr Jones) and the former Minister, the hon. Member for Sutton and Cheam (Paul Scully), for their tireless work on this issue.

May I press the Secretary of State a little further on getting justice for those who used the state to defend an indefensible position, which ended up putting people in prison and wrecking people's lives, with some committing suicide? His Department was clearly involved in this. Will he guarantee full disclosure of any documents required for any future legal proceedings?

The problem is that the postmasters lack the means, and those who have been defending their position have untold means, because they are using taxpayers' money. The Secretary of State says justice has to be done, but how does he see that being pursued? Will these people have to fund legal action again, or will the state fund criminal proceedings?

Grant Shapps: Again, I do not want to stray too much into the legal process, other than to say that Sir Wyn Williams will report and his inquiry will make a series of recommendations, and I can reveal that we are likely to look very kindly on what he has to say.

We put a number of steps in place after speaking to Alan Bates and those impacted by the group litigation, but we have not, for example, handled this stage of the process through the Post Office. Instead, there is the extra reassurance of an independent panel, which includes the right hon. Member for North Durham and Lord Arbuthnot, to make sure the same errors cannot be repeated.

The key point is about ensuring there is not a large cost. As I mentioned to my hon. Friend the Member for Stroud (Siobhan Baillie), there will not be a large cost in this part of the process. We then get into what will happen with prosecutions. I am probably leaping a little too far, but this significant injustice has caused misery to people's lives, not only those who were wrongly convicted—I said in my opening remarks that some are not here to see this moment of partial justice—but the families who have been ripped apart and will never be brought back together. This damage and harm will last generations, and I very much hope our legal system will take all that into account.

Dean Russell (Watford) (Con): I welcome my right hon. Friend's commitment today and his statement. He is right to use the word "travesty", as this was a scandal probably unequalled in government over many decades. I am grateful for his words today and the work he is doing, and I am pleased to hear that Alan Bates is in the Gallery to hear this, given the work he has done.

My question is about what will happen with this long-term commitment on communications. One thing I have heard often during this is that a lack of communication can, of itself, cause additional stress and anxiety. So will my right hon. Friend agree to ensure that there are regular communications from the Government on this, both in the House and outside?

Grant Shapps: I pay tribute to and thank my hon. Friend for what he did as Minister responsible in this area to help to bring forward the statement I was able to make today. On his point about communication, that is absolutely our intention, both through myself and through the small business Minister—the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Thirsk and Malton.

Mick Whitley (Birkenhead) (Lab): I too welcome the Secretary of State's statement. However, the postmaster scandal has exposed the serious dangers inherent in using intrusive surveillance technology to monitor the activities of employees. A growing number of workplaces are adopting surveillance and artificial intelligence-assisted technology, and some employers are even reported to be delegating decisions on recruitment, promotions and even sackings to algorithms. The TUC has warned that worker surveillance is at risk of "spiralling out of control" without greater transparency and stronger regulation to protect workers. Will the Secretary of State now act to make it a statutory duty for employers to consult trade unions before introducing AI and automated decision-making systems in the

[Mick Whitley]

workplace? Will he also ensure that every worker has the right to a human review of high-risk decisions made by technology?

Grant Shapps: The hon. Gentleman makes an interesting point. We have a lot of new technologies coming along, including things such as AI and generative AI. If the Horizon Post Office scandal demonstrates anything, it is that we have to be very careful about how we implement technology. I love technology. It gives us a great opportunity for productivity, but if we get to a point where it is about, “Computer says no” or, “Computer says yes” and that is what we believe without testing the input to those machines and the way they have been programmed—this will become much more challenging with things such as AI in the future—we will have problems and we will end up with more of these sorts of scandals. He raises an interesting specific point about how that might be addressed. I would be very interested to hear more from him about it, and perhaps we will organise a meeting, either with myself or with the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Thirsk and Malton.

Duncan Baker (North Norfolk) (Con): I believe I am still the only serving MP who used to be a postmaster, many moons ago, in a former life. So I really thank the Government for what they are doing to overturn, or make some reparations for, this injustice. But there is a problem, which gets to the heart of why this situation happened in the first place: the absolute lack of investment in and care for our beloved institution that is the post office network. Every year we lose banks up and down our high street. Last year, we even lost post offices on our high street, and that is not good enough. My community of Cromer is to lose an HSBC bank branch, so I make a plea to the Secretary of State to really invest in the post office network and to pay our postmasters properly. They cannot make a decent living at the moment out of what their payments are. We must make sure we safeguard their future by putting post office networks at the very heart of delivering banking services up and down our high streets. We must do that to safeguard our postmasters and our high streets.

Grant Shapps: I pay tribute to my hon. Friend, as someone who has actually been a postmaster and now serves in this House; he knows what he is talking about on this. He is right to say that this comes in the wider

context of support for our high streets, the complexities that high streets face these days and the huge changes in the way that mail is sent and communications operate. That is why the Government have put £300 million into assisting the Post Office with running post offices in communities, and I know that there was a 4% tariff uplift most recently. But he raises a series of very good points, and I know that my hon. Friend the Under-Secretary and he will be continuing this conversation.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State very much for his statement. It has truly lifted the hearts of those in the audience, those outside and those across all the constituencies where sub-postmasters found themselves in very difficult positions. May I commend the right hon. Member for North Durham (Mr Jones)? I know that many have done so, but he has been incredibly assiduous. Strength of character has pulled this over the line, and I wish to put on record our thanks to him for that as well.

This morning, the media broke the news about the new compensation for victims of the Horizon IT scandal. That is very much welcome, because the cruel accusations of fraud saw sub-postmasters sent to jail, bankrupted and shunned by their communities. In some cases, suicide resulted from the impacts that this caused them, and we really feel the pain of that; the way in which the Secretary of State presented this statement has captured that very well. Will he assure this House and myself that lessons will be learned from the scandal and that accusations will not be made before full inquiries take place, as so many have lost their lives due to what have been false narratives?

Grant Shapps: That is absolutely the intention of this Government and Ministers. I hope that the lessons that will be drawn, both from what has happened so far and from Sir Wyn Williams’ inquiry when he reports, will be taken to apply not just to the Post Office, the Department for Business, Energy and Industrial Strategy or Governments, but the whole of society. As I mentioned a few moments ago, the dangers are inherent in the idea that just because the computer says yes or says no, that is a definitive, unchallengeable position. As we saw in this case, not only was it not, but it destroyed lives and families along the way, as well as livelihoods.

Mr Deputy Speaker (Mr Nigel Evans): I thank the Secretary of State for his statement. I am sure the heart of the entire House goes out to the people who have had to face such trauma, and their families.

Points of Order

1.56 pm

Mr Mark Francois (Rayleigh and Wickford) (Con): On a point of order, Mr Deputy Speaker. In “Game of Thrones”, it was famously said that, “Winter is coming”, and no one is more conscious of that than the Ukrainians. As a member of the Defence Committee, and having recently returned from Ukraine, I know that after as a cry for more weapons, their second greatest cry was for generators to help power things such as hospitals through the winter if they lose more power stations to Russian missile strikes.

I raise this issue now, Sir, because on the previous urgent question I, like a number of Members from across the House, made a plea to the Government to look at some kind of scheme to sponsor the delivery of generators to Ukraine. As the Business Secretary is at the Dispatch Box, I wanted him to hear this. My ask, through you, is whether the Government could come up with some kind of “Power for Ukraine” scheme, where British companies could either sponsor the cost of a generator or provide one if they had one of their own, perhaps in their warehouse or truck park, that is not really doing anything but could save lives in a hospital or other facility in Ukraine. Will the Secretary of State undertake to look at how we might do that and see whether he can come back to the House with some idea of how we could save lives?

Jason McCartney (Colne Valley) (Con): Further to that point of order, Mr Deputy Speaker. I spoke to Mr Speaker about an hour ago about my intention to raise a point of order. While I have been in this Chamber for the past two hours, as the secretary of the all-party group on Ukraine I have been made aware of the fact that the Lawn Tennis Association has been sanctioned by the Association of Tennis Professionals, the governing body of tennis, for the LTA’s announcement of a ban on Russian and Belarusian players from its tournaments last year. The LTA has been fined \$1 million as well. What would be the best way for this House to show its unity with the LTA and urge that any fines levied are given to the humanitarian efforts in Ukraine, perhaps to fund some more generators for the Ukrainian people, who are suffering from Putin’s barbaric invasion?

Grant Shapps: Further to that point of order, Mr Deputy Speaker. I am very much aware of the hardships being caused by a lack of power and utilities in Ukraine. We have three Ukrainians who live in our home and still work online with Ukraine. They have been explaining that it is very difficult to work with people in Ukraine because half the time their equipment is down and they cannot get access to the workplaces and data. So I know the problems are very acute. I also know that the UK led the global community when we were asked previously and we provided generators; we were the first country in the world to do so in significant numbers. I believe that almost 1,000 generators were supplied to Ukraine at the time.

My right hon. Friend the Member for Rayleigh and Wickford (Mr Francois) will be interested to know that I was speaking to the Ukrainian ambassador just last night about this issue, and I regularly speak to Oleksandr Kubrakov who is, in part, in charge of energy and infrastructure in Ukraine. I will be taking those

conversations forward. My right hon. Friend was absolutely right to raise this issue. The way that Putin is now prosecuting this war, going after civilian infrastructure, is illegal and indefensible.

On the Lawn Tennis Association, which is not quite in my area, that fine is, of course, absolutely outrageous.

Mr Deputy Speaker (Mr Nigel Evans): I shall also add my words to that. The right hon. Member for Rayleigh and Wickford (Mr Francois) is an experienced Member, and I am sure that he will use Question Time, Adjournment debates and the statements that we will inevitably have in future to put on the record his disgust and his feelings of unity with the people of Ukraine.

Mrs Emma Lewell-Buck (South Shields) (Lab): On a point of order, Mr Deputy Speaker. I have repeatedly raised the anguish that my constituents, the parents of Chloe Rutherford and Liam Curry, are going through. Chloe and Liam were murdered in the Manchester Arena terror attack. Archaic law in relation to terror attacks prevents my constituents, and all other grieving parents, from registering their precious children’s deaths. Instead, the registration will be done by a registrar—a complete stranger to the family.

I first raised this matter in March with the Home Office and the Ministry of Justice. Since then, I and the parents have had ministerial meetings. I have constantly raised their distress in this Chamber, held an Adjournment debate, submitted two early-day motions and sent countless letters and emails. Time and again, the then Home Office Minister responsible promised that a decision on changing the legislation was imminent. The final inquiry report into the attack is due in January. That is when the children’s deaths will have to be registered.

Since the beginning of September, Home Office Ministers and the two Secretaries of State for Justice have completely ignored my correspondence—that is until this afternoon when they asked me not to raise this point of order. Mr Deputy Speaker, why do my constituents have to suffer because this Government are not fit to govern and cannot get their act together? Please can you advise me how on earth we are supposed to get an answer from those on the Treasury Bench before January?

Mr Deputy Speaker: I am grateful to the hon. Member for indicating that she was going to raise this matter. I am sure that all Members will wish to express their sympathies for her constituents. She has clearly pursued this important issue with tenacity. Indeed, I have been in the Chair and heard her raise this issue before. Everybody here understands why she wants this matter resolved. Ministers on the Treasury Bench will have heard her comments. Let me say that again: Ministers on the Treasury Bench will have heard her comments, and I hope that they will be able to respond to her speedily.

Olivia Blake (Sheffield, Hallam) (Lab): On a point of order, Mr Deputy Speaker. Local authorities and Sheffield City Council have declared a major incident in my constituency. In Stannington, in my constituency, 6,000 litres and counting of water have been pumped out of a gas main, and there is still a lot of water left in that gas main. That has impacted 2,000 properties, hundreds of which are still without gas since Friday. Some streets

[Olivia Blake]

have been left with repeated power cuts, with no way to heat their homes effectively or to cook food. The Council Leader has said that the area is at risk of a humanitarian crisis. Tomorrow, snow is predicted, which will hamper efforts to get people back online. Residents need more support now. Hundreds of vulnerable residents have been identified, and the ground effort by Cadent, Yorkshire Water and the council has been huge, and I thank them for that.

However, I wrote to the Secretaries of State for Levelling Up, Housing and Communities, for Business, Energy and Industrial Strategy, and for Environment, Food and Rural Affairs and to the Chancellor on Tuesday and I am yet to receive a full response. I am very conscious that the council needs not just money, but resources. Parts are needed to repair boilers and meters need to be replaced. This is a huge effort. Water is flowing out of people's ovens, out of their fires and out of their boilers, which should be sealed, and getting past the water meter. This is an unprecedented incident and "novel", as it has been described to me, which really needs some support and action to make sure that we have the right infrastructure on the ground. I do not think that it can be left to the local authorities to organise that.

Have you, Mr Deputy Speaker, had notice of any statements from any of the three Secretaries of State whose portfolios cover this matter? How can I best get action to make sure that we have a co-ordinated effort from this place to support my community, which is obviously really suffering?

Mr Deputy Speaker: I thank the hon. Member for raising that point of order. It sounds absolutely appalling and she is right to raise it today as a point of order. I have had no indication that any Minister is to make a statement further to the ones that we have already had. If that changes, clearly, the House will be notified in the usual manner. The Treasury Bench has heard what has been said, and I ask the Secretary of State for Business, Energy and Industrial Strategy to make sure that these points get passed to the Departments that the hon. Member has mentioned.

BILL PRESENTED

PRE-PAYMENT METERS (TEMPORARY PROHIBITION) BILL

Presentation and First Reading (Standing Order No. 57)

Wera Hobhouse, supported by Richard Foord, Mr Alistair Carmichael and Wendy Chamberlain, presented a Bill to prohibit the installation of new pre-payment meters for domestic energy customers before 31 March 2023; and for connected purposes.

Bill read the first time; to be read a Second time on Friday 3 February 2023, and to be printed (Bill 212).

Local Authority Boundaries

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

2.5 pm

Robbie Moore (Keighley) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about changing local authority boundaries in cases where there is public support for such changes; and for connected purposes.

Local representation matters. Individuals and communities need to have trust in their local authority, which is charged with acting in their best interest, regardless of which political party may be in charge at a local level. Residents need to be reassured that the framework, the model, the structure and, indeed, the geographical area represented mean that the local authority has the capacity and the capability of acting in their best interest.

My Local Authority Boundaries Bill aims to re-empower local communities that feel completely disenfranchised and forgotten about by their local authority. Let us not forget that local authorities have perhaps one of the most important influences on an individual or a family's day-to-day life than any other level of government. Whether it be sorting out highways and potholes, putting in speeding cameras, dealing with local planning policy, housing, schools, children's services, adult services, bin collection, leisure centres, libraries and regeneration, and driving local economic growth, local authorities are incredibly important. As organisations, they must represent the entire geographical area encompassed by their boundaries, and, most importantly, deliver for local communities based on their local priorities.

In my view, if a local authority is too large in terms of the number of residents it represents, its geographical area is too great, or a single city is getting all the attention from the local authority, with the outlying towns and villages being deprioritised, then there is a risk that communities will suffer. The sense of place is lost and people become disenfranchised or even completely forgotten about. At a local level, that is the very challenge that I face.

I represent perhaps one of the most important and beautiful parts of the United Kingdom. Keighley, Ilkley, Silsden, Steeton, Riddlesden, East Morton, the Worth Valley and the areas in my wider constituency are full of passionate people who, quite rightly, are incredibly proud of where they live. For too long, though, the area I represent has felt completely unrepresented and ignored by our local authority, Bradford Council.

Constituents in Keighley and Ilkley, and indeed in Shipley and Bingley, represented by my hon. Friend the Member for Shipley (Philip Davies), are fed up of living in the shadow of Bradford, getting a rough deal and having to put up with the incompetence and poor service provision from our local authority. This Bill aims to change this disconnect by giving local communities such as mine the option to have their say on refocusing and realigning local authorities to be local, and to deal with and deliver on local priorities.

The mechanics of my Bill are simple: they place a requirement on the Secretary of State for Levelling Up, Housing and Communities to lay regulations that would enable two or more parliamentary constituency areas, such as Keighley and Ilkley, and Shipley, to form a new

local authority if, when combined, they form a continuous area. Quite rightly, as part of that process, public will and deep local support would need to be evidenced, so this Bill sets out the mechanisms for a referendum to be held. A petitioning system will be created to enable electors in any constituency area to indicate their support for a referendum to be held on the creation of a new local authority. If 10% or more of the people in that constituency area give their support for a referendum, a vote will be held among the electors within those community and constituency areas.

After the referendum is held, if the majority of those people have signalled that they want a new council to better represent them, the mechanics of setting up a new local authority will be triggered. Of course, as part of the process, it would be necessary to present a strong indication that the new and residual local authorities would be organisationally and financially viable and capable of effectively delivering services to local residents.

Let me outline why this Bill is so important to me and my constituents. A root cause of many of the problems is that my constituents feel that they are being used as a cash cow for Bradford and getting very little back in return. Council tax and business rates are all sent from my constituency to Bradford City Hall, with nowhere near the equivalent amount of funds comes back to be reinvested in our area. The Keighley and Ilkley and Shipley constituencies generate the highest tax revenue to Bradford Council through our council tax and business rates payments. Data released by our council finds that wards such as Ilkley, Wharfedale and Craven pay the highest proportion of what is billed, while other wards within Bradford city itself pay the least and yet get the highest investment. Even though the two constituencies are the largest contributors, we undoubtedly benefit the least; cash is funnelled into Bradford city centre projects by my constituents, who are getting no benefit whatsoever.

Hon. Members should be in no doubt that we have some huge challenges in Keighley, with deprived areas that need attention, and we need more local support from our local authority. I am talking about the local authority simply doing the basic job of providing statutory services well—getting projects off the ground while listening and taking account of local priorities.

I will give some very quick examples. Bradford Council is still yet to deliver the Silsden to Steeton pedestrian bridge, despite money having been allocated for it by this Conservative Government. Bradford Council has delayed and delayed the project and now says it will not be delivered until 2026. The council's recent decision to ignore a decisive public poll to keep the green space on

North Street in Keighley Green and to push ahead with its development plans is contrary to what the people of Keighley want.

Children's services are in a dire state in Bradford. Across the district there are some exceptional problems that mark my area out from the rest of the country. Children's services are perhaps the most important service that a local authority can provide, but Bradford Council children's services have failed vulnerable children for far too long. At the start of this year, we heard a damning Government report on those services, which only went to show what we have all known for a long time: children in our district are not protected by those with the responsibility to do so, leading to some tragic circumstances throughout our area. I am pleased to say that earlier this year the Government stepped in and stripped Bradford Council of its children's services so that a new trust structure can be set up. Those are just a few examples.

In summary, this Bill would put new measures in place to ensure that local people have a say on who represents them, the very nature of the council and the geographical area in which the services will be delivered. It is only right that, if the majority of people in specific constituencies are in favour of forming a new unitary authority, they should have the opportunity to do so. Not only would that benefit my constituents in Keighley and Ilkley, but it would be very much welcomed by other Members of this place.

Some may say that the Bill is divisive, but that is not the case at all. It is simply standing up for the community that I represent, and putting in place a plan that enables communities to be better represented at a local level, with the sole purpose of delivering on local priorities—something that, unfortunately, under the shackles of Bradford Council, my constituents have not benefited from for far too long. While I may refer to this Bill as the “Bradford breakaway Bill”, my Local Authority Boundaries Bill provides the mechanics for a smaller, more targeted, more nimble, more effective and more efficient local authority, able to deliver on local services and local priorities at speed and with a much better sense of public duty to its residents.

Question put and agreed to.

Ordered.

That Robbie Moore, Philip Davies, James Grundy, Mr William Wragg, Damien Moore, Antony Higginbotham, Matt Vickers, Duncan Baker, Chris Clarkson, Dr Kieran Mullan and Sarah Atherton present the Bill.

Robbie Moore 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 213).

Financial Services and Markets Bill

Consideration of Bill, as amended in the Public Bill Committee

New Clause 17

REPORTING REQUIREMENTS

‘(1) FSMA 2000 is amended as follows.

(2) After paragraph 11 of Schedule 1ZA insert—

“Other reports

11A (1) The Treasury may (subject to this paragraph) at any time by direction require the FCA to publish a report containing information about—

- (a) any of the matters mentioned in paragraphs (a) to (ia) of paragraph 11(1);
- (b) such other matters that the direction may specify.

(2) The Treasury may give a direction under this paragraph requiring information to be published only if the Treasury consider that—

- (a) the information is reasonably necessary for the purpose of reviewing and scrutinising the discharge of the FCA’s functions, and
- (b) other available information is not sufficient to meet that purpose.

(3) Subject to sub-paragraph (4), the FCA must publish a report prepared under a direction given under this paragraph in such manner, and within such period, as the direction may require.

(4) Nothing in this paragraph requires the inclusion in the report of any information whose publication would be against the public interest.

(5) A direction under this paragraph may not—

- (a) require a report to be published more than once in each quarter;
- (b) require the publication of information that is confidential information for the purposes of Part 23 (see section 348(2)).

(6) The Treasury must consult the FCA before giving a direction under this paragraph.

(7) In exercising the power under this paragraph, the Treasury must have regard to the desirability of minimising any adverse effect that the preparation of the report required in accordance with the direction may have on the exercise by the FCA of any of its other functions.

(8) The Treasury must—

- (a) lay before Parliament a copy of a direction given under this paragraph, and
- (b) publish the direction in such manner as the Treasury think fit.

(9) A direction under this paragraph may be varied or revoked by the giving of a further direction.”

(3) After paragraph 21 of Schedule 1ZB insert—

“Other reports

21A (1) The Treasury may (subject to this paragraph) at any time by direction require the PRA to publish a report containing information about—

- (a) any of the matters mentioned in paragraphs (a) to (f) of paragraph 19(1);
- (b) such other matters that the direction may specify.

(2) The Treasury may give a direction under this paragraph requiring information to be published only if the Treasury consider that—

- (a) the information is reasonably necessary for the purpose of reviewing and scrutinising the discharge of the PRA’s functions, and
- (b) other available information is not sufficient to meet that purpose.

(3) Subject to sub-paragraph (4), the PRA must publish a report prepared under a direction given under this paragraph in such manner, and within such period, as the direction may require.

(4) Nothing in this paragraph requires the inclusion in the report of any information whose publication would be against the public interest.

(5) A direction under this paragraph may not—

- (a) require a report to be published more than once in each quarter;
- (b) require the publication of information that is confidential information for the purposes of Part 23 (see section 348(2)).

(6) The Treasury must consult the PRA before giving a direction under this paragraph.

(7) In exercising the power under this paragraph, the Treasury must have regard to the desirability of minimising any adverse effect that the preparation of the report required in accordance with the direction may have on the exercise by the PRA of any of its other functions.

(8) The Treasury must—

- (a) lay before Parliament a copy of a direction given under this paragraph, and
- (b) publish the direction in such manner as the Treasury think fit.

(9) A direction under this paragraph may be varied or revoked by the giving of a further direction.”—(*Andrew Griffith.*)

This new clause confers a power on the Treasury to require the FCA and the PRA to publish information at any time on any requested matters, in addition to the current requirement to provide an annual report to the Treasury (in the case of the FCA) or the Chancellor (in the case of the PRA).

Brought up, and read the First time.

2.16 pm

The Economic Secretary to the Treasury (Andrew Griffith): I beg to move, That the clause be read a Second time.

Mr Deputy Speaker (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment (a) to new clause 17, after “mentioned in paragraphs (a) to (ia) of paragraph 11(1);” insert—

- “(aa) the effect of the Financial Services and Markets Act 2023 on financial stability, and potential risks to financial stability, in the UK;
- (ab) an assessment of the delivery of the FCA’s objectives in the previous year;
- (ac) an assessment of measures which could improve the delivery of the FCA’s objectives in the next year;”

Amendment (b) to new clause 17, after “mentioned in paragraphs (a) to (f) of paragraph 19(1);” insert—

- “(aa) the effect of the Financial Services and Markets Act 2023 on financial stability, and potential risks to financial stability, in the UK;
- (ab) an assessment of the delivery of the PRA’s objectives in the previous year;
- (ac) an assessment of measures which could improve the delivery of the PRA’s objectives in the next year;”

Government new clause 18—*Composition of panels.*

Government new clause 19—*Consultation on rules.*

Government new clause 20—*Unauthorised co-ownership AIFs.*

New clause 1—*National strategy on financial fraud—*

‘(1) The Treasury must lay before the House of Commons a national strategy for the purpose of detecting, preventing and investigating fraud and associated financial crime within six months of the passing of this Act.

- (2) In preparing the strategy, the Treasury must consult—
- (a) the Secretary of State for the Home Office,
 - (b) the National Economic Crime Centre,
 - (c) law enforcement bodies which the Treasury considers relevant to the strategy,
 - (d) relevant regulators,
 - (e) financial services stakeholders,
 - (f) digital platforms, telecommunications companies, financial technology companies, and social media companies.

(3) The strategy must include arrangements for a data-sharing agreement involving—

- (a) relevant law enforcement agencies,
- (b) relevant regulators,
- (c) financial services stakeholders,
- (d) telecommunications stakeholders, and
- (e) technology-based communication platforms,

for the purposes of detecting, preventing and investigating fraud and associated financial crime and, in particular, tracking stolen money which may pass through mule bank accounts or platforms operated by other financial services stakeholders.

(4) In this section “fraud and associated financial crime” includes, but is not limited to authorised push payment fraud, unauthorised facility takeover fraud, and online and offline identity fraud.

(5) In this section, “financial services stakeholders” includes banks, building societies, credit unions, investment firms, Electric Money Institutions, virtual asset providers and exchanges, and payment system operators.’

This new clause would require the Treasury to publish a national strategy for the detection, prevention and investigation of fraud and associated financial crime, after having consulted relevant stakeholders. The strategy must include arrangements for a data sharing agreement between law enforcement agencies, regulators and others to track stolen money.

New clause 2—Local community access to essential in-person banking services—

‘(1) The Treasury and the FCA must jointly undertake a review of the state of access to essential in-person banking services for local communities in the United Kingdom, and jointly prepare a report on the outcome of the review.

(2) “Essential in-person banking services” include services which are delivered face-to-face and which local communities require regular access to. These may include services provided in banks, banking hubs, or other service models.

(3) The report mentioned in subsection (1) must be laid before the House of Commons as soon as practicable after the review has been undertaken.

(4) The report mentioned in subsection (1) must propose a minimum level of access to essential in-person banking services which must be provided by banks and building societies in applicable local authority areas in the United Kingdom, for the purpose of ensuring local communities have adequate access to essential in-person banking services.

(5) The applicable local authority areas mentioned in subsection (4) are local authority areas in which, in the opinion of the FCA, local communities have a particular need for the provision of essential in-person banking services.

(6) In any applicable local authority area which, according to the results of the review undertaken under subsection (1) falls below the minimum level of access mentioned in subsection (4), the FCA may give directions for the purpose of ensuring essential in-person banking services meet the minimum level of access required by subsection (4).

(7) A direction under subsection (6) may require a minimum level of provision of essential in-person banking services through mandating, for example—

- (a) a specified number of essential in-person banking services within a geographical area, or

- (b) essential in-person banking services to operate specific opening hours.’

This new clause would require the Treasury and FCA to conduct and publish a review of community need for, and access to, essential in-person banking services, and enable the FCA to ensure areas in need of essential in-person banking service have a minimum level of access to such services.

New clause 3—Essential banking services access policy statement—

‘(1) The Treasury must lay before the House of Commons an essential banking services access policy statement within six months of the passing of this Act.

(2) An “essential banking services access policy statement” is a statement of the policies of His Majesty’s Government in relation to the provision of adequate levels of access to essential in-person banking services in the United Kingdom.

(3) “Essential in-person banking services” include services which are delivered face-to-face, and may include those provided in banks, banking hubs, or other service models.

(4) The policies mentioned in sub-section (2) may include those which relate to—

- (a) ensuring adequate availability of essential in-person banking services;
- (b) ensuring adequate provision of support for online banking training and internet access, for the purposes of ensuring access to online banking; and
- (c) expectations of maximum geographical distances service users should be expected to travel to access essential in-person banking services in rural areas.

(5) The FCA must have regard to the essential banking services access policy statement when fulfilling its functions.’

This new clause would require the Treasury to publish a policy statement setting out its policies in relation to the provision of essential in-person banking services, including policies relating to availability of essential in-person banking services, support for online banking, and maximum distances people can expect to travel to access services.

New clause 4—FCA duty to report on mutual and co-operative business models—

‘(1) The FCA must lay before Parliament a report as soon as practicable after the end of—

- (a) the period of 12 months beginning with the day on which this Act is passed, and
- (b) every subsequent 12-month period,

on how it considers the specific needs of mutual and co-operative financial services providers and other relevant business models when discharging its regulatory functions.

(2) The “specific needs” referred to in subsection (1) must include the needs of mutual and co-operative financial services providers to have a level playing field with financial services providers which are not mutuals or co-operatives.

(3) The “mutual and co-operative financial services providers and other relevant business models” referred to in subsection (1) may include—

- (a) credit unions,
- (b) building societies,
- (c) mutual banks,
- (d) co-operative banks, and
- (e) regional banks.’

This new clause would require the FCA to report annually on how they have considered the specific needs of mutual and co-operative financial services.

New clause 5—PRA duty to report on mutual and co-operative business models—

‘(1) The FCA must lay before Parliament a report as soon as practicable after the end of—

- (a) the period of 12 months beginning with the day on which this Act is passed, and

(b) every subsequent 12-month period,

on how it considers the specific needs of mutual and co-operative financial services providers and other relevant business models when discharging its regulatory functions.

(2) The “specific needs” referred to in subsection (1) must include the needs of mutual and co-operative financial services providers to have a level playing field with financial services providers which are not mutuals or co-operatives.

(3) The “mutual and co-operative financial services providers and other relevant business models” referred to in subsection (1) may include—

- (a) credit unions,
- (b) building societies,
- (c) mutual banks,
- (d) co-operative banks, and
- (e) regional banks.’

This new clause would require the FCA to report annually on how they have considered the specific needs of mutual and co-operative financial services.

New clause 6—Updated Green Finance Strategy—

‘(1) The Treasury must lay before the House of Commons an updated Green Finance Strategy within three months of the passing of this Act.

(2) The strategy must include—

- (a) a Green Taxonomy, and
- (b) Sustainability Disclosure Requirements.

(3) In preparing the strategy, the Treasury must consult—

- (a) financial services stakeholders,
- (b) businesses in the wider economy,
- (c) the Secretary of State for Business, Energy and Industrial Strategy, and
- (d) the Secretary of State for Work and Pensions.

(4) In this section a “Green Taxonomy” means investment screening criteria which classify which activities can be defined as environmentally sustainable including, but not limited to—

- (a) climate change mitigation and adaptation,
- (b) sustainable use and protection of water and marine resources,
- (c) transitions to a circular economy,
- (d) pollution prevention and control, and
- (e) protection and restoration of biodiversity and ecosystems.

(5) In this section “Sustainability Disclosure Requirements” are the requirements placed on companies, including listed issuers, asset managers and asset owners, to report on their sustainability risks, opportunities and impacts.’

This new clause would require the Treasury to publish an updated Green Finance Strategy. This must include a Green Taxonomy and Sustainability Disclosure Requirements.

New clause 7—Access to cash: Guaranteed minimum provision—

‘(1) The Treasury must, by regulations, make provision to guarantee a minimum level of access to free of charge cash access services for consumers across the United Kingdom.

(2) The minimum level of access referred to in subsection (1) must be included in the regulations.

(3) Regulations under this section shall be made by statutory instrument, and may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.’

New clause 8—Stewardship reporting requirements for occupational pension schemes—

‘(1) Section 36 of the Pensions Act 1995 (Choosing investments) is amended as follows.

(2) In subsection (1) after “(4)” insert “and, for relevant schemes, (4A)”.

(3) After subsection (4), insert—

“(4A) The trustees of relevant schemes must publish information regarding their stewardship activities. In doing so they must have regard to, amongst other matters, the scheme’s—

- (a) purpose, culture, values and strategy;
- (b) governance structures and processes;
- (c) conflicts of interest policy;
- (d) engagement strategy, including escalation steps;
- (e) aggregate statistics on total engagement activity;
- (f) thematic engagement priorities; and
- (g) engagement outcomes.”

(4) After subsection (6), insert—

“(6A) For the purposes of this section—

- (a) a “relevant scheme” means a scheme with £5bn or more in relevant assets,
- (b) “relevant assets” is to be calculated in accordance with methods and assumptions prescribed in regulations.”

This new clause raises the baseline standard of stewardship for large institutional investors beyond the minimum standards set by the UK’s implementation of the Shareholder Rights Directive, drawing on the Financial Reporting Council’s Stewardship Code and ShareAction’s Best Practice Engagement Reporting Template.

New clause 9—Stewardship reporting requirements for certain investors—

‘(1) The FCA may make rules requiring some or all of those managing investments to publish information on their stewardship activities. In doing so they must have regard to, amongst other matters—

- (a) purpose, culture, values, business model and strategy;
- (b) governance structures and processes;
- (c) conflicts of interest policy;
- (d) engagement strategy, including escalation steps;
- (e) aggregate statistics on total engagement activity;
- (f) thematic engagement priorities; and
- (g) engagement outcomes.

(2) The FCA may make rules to clarify the definition of “the most significant votes” in rule 3.4.6 of the systems and controls section of the FCA Handbook.’

This new clause would enable the FCA to make rules raising the baseline standard of stewardship for large institutional investors beyond the minimum standards set by the UK’s implementation of the Shareholder Rights Directive, drawing on the Financial Reporting Council’s Stewardship Code and ShareAction’s Best Practice Engagement Reporting Template. It would also allow the FCA to define and monitor “significant votes”.

New clause 10—Consumer Panel duty to report to Parliament—

‘(1) FSMA 2000, as amended by Section 6 of the Financial Services Act 2012 and Section 132 of the Financial Services (Banking Reform) Act 2013, is amended as follows.

(2) At the end of section 1Q, insert—

“(7) The Consumer Panel must lay an annual report before Parliament evaluating the FCA’s fulfilment of its statutory duty to protect consumers, including comments on—

- (a) the adequacy and appropriateness of the FCA’s use of its regulatory powers;
- (b) the measures the FCA has taken to protect vulnerable consumers, including pensioners, people with disabilities, and people receiving forms of income support; and
- (c) the FCA’s receptiveness to the recommendations of the Consumer Panel.”

This new clause would introduce a further level of Parliamentary scrutiny of the work of the FCA to protect consumers by requiring the Financial Services Consumer Panel to lay an annual report before Parliament outlining its views on the FCA’s fulfilment of its statutory duty to protect consumers.

New clause 11—*Personalised financial guidance: power to make regulations*—

‘(1) The Treasury may by regulations make provision for UK citizens to access personalised financial guidance from appropriately regulated financial services firms, for the purposes of supporting them to make decisions which improve their financial sustainability.

(2) The “UK citizens” referred to in sub-section (1) include, in particular, UK citizens who are unlikely to have access to financial advice (provided in accordance with Chapter 12 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001).

(3) In this section, “personalised financial guidance” means a communication—

- (a) that is made to a person in their capacity as an investor or potential investor, or in their capacity as agent for an investor or a potential investor;
- (b) which constitutes a recommendation to them to do any of the following (whether as principal or agent)—
 - (i) buy, sell, subscribe for, exchange, redeem, hold or underwrite a particular investment which is a security, structured deposit or a relevant investment; or
 - (ii) exercise or not exercise any right conferred by such an investment to buy, sell, subscribe for, exchange or redeem such an investment; and
- (c) that is—
 - (i) based on a consideration of the circumstances of that person; and
 - (ii) not explicitly presented as suitable for the person to whom it is made.

(4) The provision that may be made by regulations under this section includes provisions—

- (a) relating to the provision of financial advice;
- (b) relating to suitability requirements under MiFID;
- (c) conferring powers, or imposing duties, on a relevant regulator (including a power to make rules or other instruments).

(5) The power to make regulations under this section includes power to modify legislation.

(6) The power under subsection (5) includes power to modify the definition of “personalised financial guidance” in subsection (2).

(7) Regulations made under this section, and which modify only the following kinds of legislation are subject to the negative procedure—

- (a) EU tertiary legislation;
- (b) subordinate legislation that was not subject to affirmative resolution on being made.

(8) Regulations under this section to which subsection (7) does not apply are subject to the affirmative procedure.

(9) Before making regulations under this section, the Treasury must consult the FCA.

(10) In this section—

“legislation” means primary legislation, subordinate legislation and retained direct EU legislation;

“MiFID” means Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.’

New clause 12—*Requirement to publish regulatory performance information on new authorisations*—

‘(1) The FCA and PRA must each lay before Parliament a report on their regulatory performance as soon as practicable after the end of—

- (a) the period of six months beginning with the day on which this Act receives Royal Assent, and
- (b) each subsequent quarter.

(2) A report under this section must include analysis of data on—

- (a) the number of new applications for authorisation made to each regulator during the reporting period, with a breakdown by authorisation type;
- (b) the rates of approval for applications for authorisation by each regulator, with a breakdown by authorisation type;
- (c) the average length of time taken from application to final authorisation decision by each regulator;
- (d) the FCA or PRA’s assessment of the time and cost incurred by applicants to comply with information requirements for authorisation; and
- (a) such other matters as the Treasury considers appropriate.’

This new clause requires both regulators to publish regular reports to Parliament on their regulatory performance for new applicants for regulation.

New clause 13—*Requirement to publish regulatory performance information on authorised firms*—

‘(1) The FCA must lay before Parliament a report on its regulatory performance as soon as practicable after the end of—

- (a) the period of six months beginning with the day on which this Act receives Royal Assent, and
- (b) each subsequent quarter.

(2) A report under this section must include the average length of time taken from the initial submission of an application for authorisation by an applicant to the issuing of a final decision by the FCA for each of the following regulatory responsibilities—

- (a) approved persons;
- (b) change in control;
- (c) variation of permission;
- (d) waivers and modifications that alter compliance obligations.’

This new clause requires the FCA to publish regular reports to Parliament on its regulatory performance for existing authorised entities and persons.

New clause 14—*Determination of applications*—

‘(1) The Financial Services and Markets Act 2000 is amended as follows.

(2) After section 61(2) insert—

“(2ZA) In determining the application, the regulator must—

- (a) assign a new application to a case handler within five working days of the application being received;
- (b) complete an initial application review within ten working days of allocation to a case handler; and
- (c) make no requests for additional information after a period of fifteen working days from the receipt of the application.

(2ZZA) The regulators must publish, on an annual basis, monitoring data relating to—

- (a) the proportion of cases which require escalation to sponsoring firms, including summary trend data on the reasons for escalation;
- (b) the average time taken to assign a case handler; and
- (c) the average number of days it takes to complete determination of an application.’

This new clause would add to the regulators’ authorisation KPIs outlined in the Financial Services and Markets Act 2000 and require them to publish monitoring data related to the determination of authorisations.

New clause 15—*Regulators’ duty to report on competitiveness and growth objective*—

‘(1) The FCA and PRA must each lay before Parliament a report as soon as practicable after the end of—

- (a) the period of 12 months beginning with the day on which this Act receives Royal Assent, and
- (b) every subsequent 12-month period,

on how they consider that they have facilitated the international competitiveness of the economy of the United Kingdom and its growth in the medium to long term.

(2) Reports under this section must include analysis of data on the following—

- (a) steps taken to simplify regulatory rulebooks and frameworks;
- (b) the number of new market entrants to the UK;
- (c) new regulations introduced in the previous twelve months;
- (d) an assessment of the impact of the new regulations to UK competitiveness;
- (e) comparative analysis of the number of new authorisations in the UK and other international jurisdictions in the previous twelve months;
- (f) comparative analysis of product and service innovations introduced in the UK and other international jurisdictions in the previous twelve months; and
- (g) such other matters as the Treasury may from time to time direct.

This new clause would require both the FCA and PRA to each publish an annual report setting out how they have facilitated international competitiveness and growth against a range of data and analysis requirements.

New clause 16—Regulatory principles to be applied by both regulators: proportionality principle—

‘(1) The Financial Services and Markets Act 2000 is amended as follows.

(2) In section 3B(1)(b), leave out from “benefits,” to end and insert “taking into consideration the nature of the service or product being delivered, the nature of risk to the consumer, whether the cost of implementation is proportionate to that level of risk and whether the burden or restriction enhances UK international competitiveness.”’

This new clause would amend the existing regulatory principle for both regulators and require them nature of and risk to the consumer, and the service or product being delivered, must be taken into account when imposing a new burden or restriction.

New clause 21—Prudential capital requirements for specified financial institutions—

‘(1) Within six months of the passing of this Act, the Treasury must by regulations set prudential capital requirements for specified financial institutions.

(2) Regulations under this section must require financial institutions to hold in reserve £1 for every £1 used to finance assets connected with fossil fuel activities, which is liable for potential loss due to the climate risk exposure of the assets.

(3) In this section “fossil fuel activities” means the extraction, production, transportation, refining and marketing of crude oil, natural gas or thermal coal, as well as any fossil-fuel fired power plants, unless covered by an exemption.’

This new clause would give the Treasury the power to make regulations requiring financial institutions to hold capital in reserve to reflect the climate risk exposure of assets connected with fossil fuel activities.

New clause 22—FCA: Regard to financial inclusion in consumer protection objective—

‘(1) FSMA 2000 is amended as follows.

(2) In section 1C (The consumer protection objective), after subsection (2)(c) insert—

“(ca) financial inclusion;”’.

New clause 23—FCA duty to report on financial inclusion—

“(1) The FCA must lay before Parliament a report, as soon as practicable after the end of—

- (a) the period of 12 months beginning with the day on which this Act is passed, and

- (b) every subsequent 12-month period, on financial inclusion in the UK.

(2) A report under this section must include—

- (a) an assessment of the state of financial inclusion in the UK;
- (b) details of any measures the FCA has taken, or is planning to take, to improve financial inclusion in the UK;
- (c) developments which the FCA considers could significantly impact on financial inclusion in the UK; and
- (d) any recommendations to the Treasury which the FCA considers may promote financial inclusion in the UK.’

New clause 24—Rules relating to forest risk commodities—

‘(1) FSMA 2000 is amended as follows.

(2) After section 19 (The general prohibition) insert—

“19A Specific requirements regarding forest risk commodities

(1) A person must not carry on a regulated activity in the United Kingdom that may directly or indirectly support a commercial activity in relation to a forest risk commodity or a product derived from a forest risk commodity, unless relevant local laws were complied with in relation to that commodity.

(2) A person that intends to carry on a regulated activity that may directly or indirectly support a commercial activity in relation to a forest risk commodity or a product derived from a forest risk commodity, shall establish and implement a due diligence system in relation to that regulated activity.

(3) In this section, “due diligence system” means a system for—

- (a) identifying and obtaining information about the commercial activities of any beneficiary of the regulated activity and of their group regarding the use of a forest risk commodity,
- (b) assessing the risk that relevant local laws were not complied with in relation to that commodity, and
- (c) mitigating that risk.

(4) A person that carries on a regulated activity in the United Kingdom that directly or indirectly supports a commercial activity in relation to a forest risk commodity or a product derived from a forest risk commodity shall be subject to—

- (a) the reporting requirements under paragraph 4 of Schedule 17 of the Environment Act in relation to the due diligence system required under subsection (2) of this section, and
- (b) Part 2 of Schedule 17 of the Environment Act as though they are a person to whom Part 1 of that Schedule applies.

(5) Terms used in this section that are defined in Schedule 17 of the Environment Act shall have the meaning given to them in that Schedule.”’

New clause 25—Long term economic resilience and prosperity objective—

‘(1) FSMA 2000 is amended as follows.

(2) In section 1B (FCA’s general duties)—

- (a) in subsection (2) leave out “function well” and insert “deliver long term economic resilience and prosperity”;
- (b) in subsection (3) for paragraph (c) substitute—
“(c) the climate safety objective (see section 1E);
- (d) the nature protection objective (see section 1F).”

(3) For section 1E (The competition objective) substitute—

“1E The climate safety objective

The climate safety objective is: facilitating the net UK carbon emissions target in section 1 of the Climate Change Act 2008, and the 1.5 degrees temperature goal of the Paris Agreement.

1F The nature objective

The nature objective is: facilitating alignment with halting and reversing biodiversity loss by 2030.”

This new clause would make the FCA's strategic objective ensuring that the relevant markets deliver long term economic resilience and prosperity, remove the competition operational objective and introduce two new operational objectives; climate safety and nature protection.

New clause 26—Prohibited regulated activity: new fossil fuel developments—

“(1) A UK bank, or person acting on behalf of a UK bank, may not carry on a regulated activity where the carrying out of the activity would have the effect of providing financial investment in, or facilitating the financing of, new fossil fuel developments.

(2) In this section—

(a) “new fossil fuel developments” includes—

(i) any activity, in the UK or elsewhere, which enables or contributes to the enabling of, the extraction, processing and distribution of fossil fuels, and

(ii) the construction, in the UK or elsewhere, of fossil fuel-powered electricity generation;

(b) “fossil fuels” has the same meaning as in section 32M (Interpretation of sections 32 to 32M) of the Electricity Act 1989;

(c) “UK bank” has the same meaning as in section 2 (Interpretation: “bank”) of the Banking Act 2009.

(3) The FCA may impose sanctions against the relevant bank, where the prohibition in subsection (1) is contravened.

(4) The sanctions mentioned in subsection (3) includes—

(a) the imposition of a penalty of such amount as the FCA considers appropriate;

(b) suspension of variable components of remuneration;

(c) suspension of dividend pay-outs;

(d) removal of access to central bank funding; and

(e) removal of permission to carry on regulated activities.

(5) This section shall come into force on 31 December 2023.”

This new clause would prohibit banks from conducting regulated activity which may enable new fossil fuel developments from December 2023 onwards, and give the FCA powers to impose certain sanctions for non-compliance.

New clause 27—Refusal to provide services for reasons connected with freedom of expression—

“(1) No payment service provider providing a relevant service (the “provider”) may refuse to supply that service to any other person (the “customer”) in the United Kingdom if the reason for the refusal is significantly related to the customer exercising his or her right to freedom of expression.

(2) Where a customer has prominently and publicly exercised his or her right to freedom of expression, it is to be presumed that any refusal by a provider to supply a relevant service was significantly related to the customer exercising his or her right to freedom of expression unless the provider can provide a substantial basis for believing there was an alternative good and proper reason for the refusal.

(3) Where a customer has prominently and publicly exercised his or her right to freedom of expression and has been refused a relevant service by a provider on application by the customer, the FCA must within 5 working days issue an order to the provider immediately to recommence supply unless the FCA considers it clearly inappropriate to do so.

(4) An order issued pursuant to subsection (3) must last until the FCA is satisfied that there was or there has subsequently arisen an alternative good and proper reason for the refusal.

(5) Upon considering an application by the customer under subsection (3), where the FCA decides not to issue an order to the supplier, the FCA must give reasons in writing to the customer explaining its decision not to issue an order.

(6) Where the FCA is satisfied that there has been a breach by a provider of the obligation in subsection (1) or the failure to comply with an order issued pursuant to subsection (3), the FCA may impose a penalty on the provider of such an amount as it considers appropriate. The FCA may, instead of imposing a penalty on a provider, publish a statement censuring the provider.

(7) The FCA must within three months of the coming into force of this section prepare and arrange for publication of a statement of its policy with respect to—

(a) the circumstances the FCA will consider under subsection (3) in deciding whether it is clearly inappropriate to issue an order; and

(b) the imposition of penalties and statements of censure under subsection (6).

(8) A breach by a provider of the obligation in subsection (1) and the failure to comply with an order issued pursuant to subsection (3) are actionable at the suit of the customer, subject to the defences and other incidents applying to actions for breach of statutory duty.

(9) In this section—

(a) a “relevant service” means a service which is (in whole or in part) directed at users in the United Kingdom and constitutes—

(i) any service provided pursuant to any regulated activity; or

(ii) any service in relation to a payment system for the purposes of enabling the transfer of funds using the payment system as referred to in section 42(5) of the 2013 Act;

save for any service expressly excluded by regulations;

(b) a “payment service provider” has the same meaning as under section 42(5) of the 2013 Act;

(c) the right to freedom of expression has the same meaning as under Article 10 of the European Convention on Human Rights—

(i) save that it includes the right to campaign for or seek to protect the right to freedom of expression of others; and

(ii) save as excluded by regulations;

(d) “the 2013 Act” means the Financial Services (Banking Reform) Act 2013.

(10) Regulations under this section may be made pursuant to the provisions of section 428 of FSMA 2000 save that—

(a) before preparing regulations under this section, the Secretary of State must consult the FCA and such other persons as the Secretary of State considers appropriate; and

(b) they must be adopted using the affirmative procedure before Parliament.”

New clause 28—Regulation of buy-now-pay-later firms—

“(1) Within 28 days of the passing of this Act, the Secretary of State must by regulations make provision for—

(a) buy-now-pay-later credit services, and

(b) other lending services that have non-interest-bearing elements

to be regulated by the FCA.

(2) These regulations must include measures which—

(a) ensure all individuals accessing services mentioned in sub-section (1) have access to the Financial Services Ombudsman,

(b) ensure that individuals applying for services mentioned in sub-section (1) are subject to credit checks prior to the service being approved, and

(c) ensure that individuals accessing services mentioned in paragraph (1) are protected by Section 75 of the Consumer Credit Act.”

This new clause would bring the non-interest-bearing elements of buy-now-pay-later lending and similar services under the regulatory ambit of the FCA, as proposed by the Government consultation carried out in 2022.

New clause 29—Cost benefit analyses to include assessments of economic crime risks—

‘(1) FSMA 2000 is amended as follows.

(2) In section 138I(7), at end insert—

“(c) an assessment of economic crime risks posed by the proposed rules”.

This new clause would require cost-benefit analyses to include assessments of the risk of economic crime arising from the proposed rules.

New clause 30—Establishment of Financial Regulator’s Supervision Council—

‘(1) The Secretary of State must, within six months of this Bill receiving Royal Assent, make provision for the establishment of a body to be known as the Financial Regulator’s Supervision Council (“FRSC”).

(2) The role of the body established under subsection (1) is to provide independent scrutiny and oversight of the work of the FCA and its fulfilment of its duties and responsibilities, particularly its consumer protection objective.

(3) The responsibilities of the body shall include, but not be limited to—

- (a) overseeing the performance of the FCA from a consumer perspective, including undertaking annual appraisals and commissioning or undertaking periodic reviews as appropriate; and
- (b) appointing, reviewing annually the performance of and, where appropriate, dismissing—
 - (i) the Chair and Chief Executive of the FCA (jointly with HM Treasury);
 - (ii) the non-Executive Directors of the FCA appointed by the Department for Business, Energy and Industrial Strategy;
 - (iii) Members and Chair of the Financial Services Consumer Panel;
 - (iv) the Financial Regulators’ Complaints Commissioner;
 - (v) the directors of the Financial Ombudsman Service and its Independent Assessor;
 - (vi) the directors of the Financial Services Compensation Scheme; and
 - (vii) such employees as the FRSC requires to perform its statutory role.

(4) The body is to be funded by a 1% levy on the FCA’s revenue.

(5) Membership of the body shall be selected through open competition and must include individuals representing the interests of financial services consumer groups.

(6) The Secretary of State may by regulations, following consultation with consumer groups, make further provision for the body’s responsibilities, powers, constitution and membership.

(7) Any reports published by the body must be laid before Parliament.’

New clause 31—Regulators’ duty of care—

‘(1) Individuals and organisations undertaking activities within the remit of the FCA and PRA shall owe a duty of care to consumers.

(2) The “duty of care” means an obligation to act towards consumers with a reasonable level of watchfulness, attention, caution and prudence.

(3) An individual or organisation in breach of this duty of care may be subject to legal claims for negligence.’

New clause 32—Regulators’ immunity from civil damages action—

‘(1) Relevant regulators may be the subject of civil damages actions in cases where—

- (a) a consumer has suffered material financial loss,
- (b) the loss has occurred since 1 December 2001,

(c) the activity in the course of which the consumer suffered material financial loss is within the remit of the relevant regulator, and

(d) the relevant regulator was aware, or could reasonably be expected to have been aware, that the consumer would have been at risk of suffering financial loss and negligently failed to take sufficient action to prevent the consumer from suffering such loss.

(2) Any recommendations made by the investigator appointed under section 84(1)(b) of the Financial Services Act 2012 following the upholding of a complaint made against a regulator by a consumer who has suffered financial loss, which may include the providing of material financial redress, shall be considered binding on the regulator.

(3) The Limitation Act 1980 shall not apply in relation to any civil actions brought under this section until six years after this section has come into force.’

New clause 33—Reporting requirement: Green agenda—

‘(1) Within six months of the passing of this Act, and every twelve months thereafter, the PRA and FCA must jointly lay before the House of Commons a report setting out their assessment of—

- (a) the ways in which the PRA and FCA have incentivised and promoted green finance for the period covered by the report,
- (b) the impact of the UK financial system in incentivising green investment for the period covered by the report, and
- (c) the ways in which the PRA and FCA have supported the Secretary of State’s ability to meet the duty set out in section 1 of the Climate Change Act 2008.

(2) For the purposes of this section, “green finance” means financial products or services which aim to reduce emissions, and enhance sinks of greenhouse gases, and aim to reduce vulnerability of, and maintain and increase the resilience of, human and ecological systems to negative climate change impacts.’

This new clause would place a requirement on the PRA and FCA to report on ways in which they have promoted and incentivised green finance and green investment.

New clause 34—Investment duties of occupational pension schemes—

‘(1) Section 36 of the Pensions Act 1995 (Choosing investments) is amended as follows.

(2) In subsection (1) remove “(4)” and insert “(4A)”.

(3) After subsection (4), insert—

“(4A) The trustees must act in the way they consider, in good faith, would be most likely to be for the benefit of the beneficiaries as a whole and to be fair as between the beneficiaries, including as between present and future beneficiaries and in doing so have regard (amongst other matters) to—

- (a) the likely consequences of any decision in the long term,
- (b) the impact of their investments on society and the environment,
- (c) environmental, social and governance risks and opportunities (including, but not limited to, climate change),
- (d) the desirability of the trustees maintaining a reputation for high standards of business conduct,
- (e) the need to act fairly as between beneficiaries and members of the scheme, and
- (f) in relation to investments that provide money purchase benefits, the views of beneficiaries and members of the scheme.

(4B) The trustees shall publish a policy statement of its understanding of benefit as relevant to its beneficiaries and of how it has regard to the matters in subsection 4A(a) to (d). The Secretary of State may make regulations regarding such policy statements.

(4C) The trustees shall report to beneficiaries the performance of the portfolio in delivering the benefit as defined in the policy statement and shall do this at the same time as it reports on the financial performance of the portfolio.

(4D) A fiduciary investor shall take all reasonable steps to ensure that all of its delegates and advisers comply with this section.”

This amendment broadens the investment duties of trust-based pension schemes and FCA-authorised personal pension providers to require specified investors to make investment decisions in the “best interests” of beneficiaries.

New clause 35—Investment duties of personal pension providers—

“(1) The Financial Services and Markets Act 2000 is amended as follows.

(2) After section 137FD insert—

“137FE FCA general rules: pension investment

(1) The FCA must make general rules requiring managers of some or all relevant pension schemes to invest the assets in the best interests of members of the scheme and in the case of a potential conflict of interest, in the sole interest of members and survivors. In doing so they must have regard (amongst other matters) to—

- (a) the likely consequences of any decision in the long term,
- (b) the impact of their investments on society and the environment,
- (c) the desirability of the managers maintaining a reputation for high standards of business conduct, and
- (d) the need to act fairly as between members of the scheme.

(2) The FCA may make general rules requiring managers of relevant pension schemes to report publicly on how they have met the requirement in sub-section (1)

(3) In this section “relevant pension scheme” means—

- (a) a personal pension scheme within the meaning of an order under section 22, or
- (b) a stakeholder pension scheme within the meaning of such an order.”

This amendment broadens the investment duties of trust-based pension schemes and FCA-authorised personal pension providers to require specified investors to make investment decisions in the “best interests” of beneficiaries.

New clause 36—Duty to report fraud—

“(1) Financial services providers must, upon the detection of fraudulent activity or suspected fraudulent activity, report such activity to a relevant investigating authority.

(2) Financial services providers must publish an annual report which includes information on levels of identified fraudulent activity and steps taken, or planned to be taken, to reduce and prevent such or further fraudulent activity.”

Government amendments 8 to 11.

Amendment 19, in clause 29, page 41, line 12, at end insert

‘, and also to financial inclusion.

“(2A) For the purposes of this section, “financial inclusion” means the impact on those who might be prevented from accessing financial services as a result of the new rules made by either regulator, or from accessing them on the same terms as existed before the making of the new rules.”

Government amendments 12 and 13.

Amendment 1, in clause 40, page 54, line 29, at end insert—

- “(c) be provided with any information or data that the Panel requires in order to fulfil its duties;

(d) publish the agendas and minutes of meetings of the Panel; and

(e) make publicly available its recommendations in full including, but not limited to, the evidence base and analysis it used to make its recommendations, the assessed costs and benefits of the FCA’s activities and the range of representations made by Panel members regarding those recommendations.”

Amendment 2, page 54, line 36, at end insert

“at least two of whom must be representatives of FCA authorised firms.”

Amendment 21, page 54, line 38, at end insert

“, at least three of whom must have experience and expertise in the field of economic crime, with one each drawn from the public, private and third sectors respectively”.

This amendment would require the FCA’s Cost Benefit Analysis Panel to include individuals with expertise in economic crime.

Government amendment 14.

Amendment 3, page 54, line 41, leave out from “must” to end of line 42 and insert

“within 30 days of the receipt of representations made to it by the FCA Cost Benefit Analysis Panel, publish a response to such representations, including a statement of actions it will take as a result of the representations.”

Amendment 4, page 55, line 20, at end insert—

“(c) be provided with any information or data that the Panel requires in order to fulfil its duties;

(d) publish the agendas and minutes of meetings of the Panel; and

(e) make publicly available its recommendations in full including, but not limited to, the evidence base and analysis it used to make its recommendations, the assessed costs and benefits of the PRA’s activities and any dissenting representations made by Panel members regarding those recommendations.”

Amendment 5, page 55, line 2, at end insert

“at least two of whom must be representatives of PRA authorised firms”.

Amendment 22, page 55, line 29, at end insert

“, at least three of whom must have experience and expertise in the field of economic crime, with one each drawn from the public, private and third sectors respectively”.

This amendment would require the PRA’s Cost Benefit Analysis Panel to include individuals with expertise in economic crime.

Government amendment 15.

Amendment 6, page 55, line 32, leave out from “must” to end of line 33 and insert

“within 30 days of the receipt of representations made to it by the PRA Cost Benefit Analysis Panel, publish a response to such representations, including a statement of actions it will take as a result of the representations.”

Government amendment 16.

Amendment 7, in clause 64, page 78, line 20, at end insert—

“(5A) The relevant requirement referred to in subsection (5) must specify that reimbursement in qualifying cases cannot be refused on the basis that a victim, or victims, ought to have known that the payment order was executed subsequent to fraud or dishonesty.”

This amendment would prevent reimbursement for victims of fraudulent or dishonest payments being refused on the basis that they should have known the payment was fraudulent or dishonest.

Amendment 20, page 78, line 20, at end insert—

“(5A) The relevant requirement mentioned in subsection (5) must set out clearly that—

- (a) those to which the requirement applies have a duty to ensure that reimbursement is made in all qualifying cases, and
- (b) the penalty imposed by the Payment Systems Regulator, under section 73 of the Financial Services (Banking Reform) Act 2013, for failure to comply with that duty, will be not less than £100,000 in each instance of failure.”

Amendment 23, in schedule 2, page 119, line 19, leave out sub-paragraphs (2) and (3).

This amendment would maintain the regulator’s duty to establish appropriate position limits in commodity speculation, to ensure the effective functioning of commodity markets and prevent potentially risky speculation.

Amendment 24, page 119, line 2, leave out “that paragraph” and insert “paragraph (1)”.

This amendment would maintain the regulator’s duty to establish appropriate position limits in commodity speculation, to ensure the effective functioning of commodity markets and prevent potentially risky speculation.

Amendment 25, page 119, line 32, leave out sub-paragraph (5).

This amendment would maintain the regulator’s duty to establish appropriate position limits in commodity speculation, to ensure the effective functioning of commodity markets and prevent potentially risky speculation.

Amendment 27, page 120, line 4, leave out paragraph 48.

This amendment would remove the proposed amendment to the FCA’s power to intervene, to maintain transparency in commodity markets and reduce the scope of so-called “dark pools”.

Amendment 26, page 120, line 10, leave out sub-paragraph (4).

This amendment would maintain the regulator’s duty to establish appropriate position limits in commodity speculation, to ensure the effective functioning of commodity markets and prevent potentially risky speculation.

Government amendments 17 and 18.

Amendment 28, page 155, line 7, at end insert—

“(1A) When exercising its functions under this Part, the FCA may issue a direction to a designated person, for the purpose of establishing a banking hub.

(1B) A designated person must comply with a direction under subsection (1B).

(1C) A “banking hub” is a facility which—

- (a) provides cash access services,
- (b) is facilitated jointly by multiple providers of such services,
- (c) contains private consultation spaces at for users of cash access services, and
- (d) is established for the purpose of ensuring reasonable provision of cash access services where there would otherwise be a local deficiency of such provision.”

This amendment would require designated persons to comply with direction given by the FCA for the purposes of establishing banking hubs.

Andrew Griffith: The financial services sector is central to our Government’s ambition to bolster our global competitiveness and boost growth in all parts of the United Kingdom. This Bill delivers on our ambition by seizing the opportunities of our departure from the European Union, tailoring financial services regulation to UK markets and delivering better outcomes for the economy, consumers, victims of fraud and businesses. There are many amendments for consideration today,

so I will be as succinct as possible, and I look forward to having time to respond to hon. Members’ contributions later.

In Committee, I heard from colleagues on both sides of the House about the importance of holding the operationally independent regulators to account regarding their performance—in particular, that there should be regular reporting on their performance to support scrutiny, beyond just the annual report. Regulation is about not just the contents of the rulebook, but how effectively and on how timely a basis those rules are enforced and implemented.

The Government and regulators are both committed to the highest standards of operational effectiveness. That is why last week we published an exchange of letters with the regulators, making clear the intention to publish more detailed performance data in relation to their authorisation processes on a more regular basis. However, I also noted the clear consensus in Committee on the need to enhance the existing statutory provisions. In particular, I thank my hon. Friends the Members for Wimbledon (Stephen Hammond) and for North Warwickshire (Craig Tracey) for raising this important issue.

As a result, new clause 17 provides a new power for the Treasury to require the regulators to publish additional information on a more regular basis, where that is necessary to support this House’s scrutiny of their performance in discharging their general functions.

Richard Fuller (North East Bedfordshire) (Con): I have seen the exchange of letters—that is very welcome—and I have read new clause 17. Both lack any specificity about what those metrics may be. I do not expect the Minister to respond now, but perhaps in his summing up, to reassure those of us on the Back Benches, he could provide some comfort about how specific he and the Treasury will get.

Andrew Griffith: I thank my hon. Friend who, as one of my predecessors, has made a significant contribution to getting the Bill to where it is today. I will try to indulge him, but he will also recognise that the Bill is about putting enabling powers in place, and there will be opportunities on future occasions to discuss how we deploy those.

New clause 18 introduces a requirement for the regulators to ensure that all members of their statutory panels are external and independent of the Treasury, the Bank of England and the regulators. That will codify the current approach taken by regulators, putting it in statute, building confidence in their independence and ensuring that it is maintained on a long-term basis.

New clause 19 introduces a new requirement for the regulators to publish a list of respondents to their public consultations, provided that the respondents consent. The requirement is limited to the financial services regulators and their specific statutory consultation in existing financial services legislation. New clauses 18 and 19 also address points raised by my hon. Friend the Member for North East Bedfordshire (Richard Fuller) and the hon. Member for Richmond Park (Sarah Olney).

I also note the interest of my hon. Friend the Member for Harrow East (Bob Blackman) in enhancing regulator accountability through his new clauses on a new regulators’

supervision council and ending regulators' statutory immunity from civil damages. I understand where he is coming from, and I note that he chairs the all-party parliamentary group on personal banking and fairer financial services, but the Government's position is that a new supervisory council would duplicate existing accountability structures. Indeed, none of the representations that I receive from industry says that the biggest thing that will help growth and competitiveness is another layer of regulators. There is also a great deal of existing accountability structures, including the role undertaken by this House and its various Committees, which is why that position was supported by the Treasury Committee in its July 2021 report. Removing the regulators' statutory immunity from liability and damages would risk regulators over-regulating to avoid the risk of liability. There are already mechanisms for holding regulators to account, including the complaints scheme. That scheme is overseen by the independent complaints commissioner, who has powers to recommend redress.

Peter Grant (Glenrothes) (SNP): I certainly appreciate the Minister's concern that we might see precautionary regulation, but is the best way to avoid that not simply to restrict the removal of liability to cases in which the regulator has clearly and negligently failed to act to deal with a situation in which an already regulated activity was being carried out in an unacceptable way? That is what happened with Blackmore Bond. It was not an unregulated activity; it was an activity that fell within the scope of the Financial Conduct Authority, but it failed to act and £46 million was stolen from people as a result.

Andrew Griffith: The hon. Member draws our attention to the very tragic cases that occur when financial regulation goes wrong and does not do its job in the way every Member of this House would like to see. He also talks about a legal threshold for that. He will perhaps appreciate that I do not have the facts of that particular case before me and that we are not drafting things here and now. I have heard from Members on both sides of the House about some of the problems in what we are talking about, which is essentially the conduct of the regulator, and I understand colleagues' desire to look at legal liability as one remedy, but there are many powers in the Bill, and as I say, the Bill will not constrain the ability of this House or Ministers going forward.

The hon. Member for Kingston upon Hull West and Hessle (Emma Hardy), with whom I spent a lot of time in the Bill Committee—I suspect we will hear from her later this afternoon—has tabled a new clause on considering economic risks in regulators' cost-benefit analysis panels. I would like to reassure her that the regulators already take steps—and, to assuage her concerns, they could perhaps do more—to think about economic crime when they do that. They have the power, of course, to consult experts where they consider it relevant.

I thank my hon. Friend the Member for North East Bedfordshire again for raising the issue of regulatory proportionality. I wish to reassure him that the Government are clear that the burden of any regulation should be proportionate to its benefits, and that is set out in existing legislation. I am very happy to reiterate again today that I expect the regulators to fully and proactively embrace that principle, which is embedded in statute.

That is particularly important, as the Bill confers on them greater rule-making responsibilities. I suspect we will hear from my hon. Friend later on.

I will now turn to Government amendments 8 to 11—I apologise, but there are quite a lot of amendments to crack on through. Clause 6 already enables the Treasury to exempt regulators from the statutory requirement to consult on rules when they are replacing retained EU law repealed by the Bill without making material changes. Amendments 8 to 11 go further. They create a blanket exemption from the statutory requirement to consult in situations in which the regulators remove EU-derived rules from their rulebooks without replacement. The amendments also allow the Treasury to exempt the regulators when they are amending EU-derived rules or replacing retained EU law in their rulebooks, and when the only material effect of the change is to reduce regulatory burdens. That ensures that the regulators can take that proportionate approach to consultation, accelerate the repeal of retained EU law, and not let the requirement to consult be an obstacle or delaying factor. It is a long time since the British people voted for Brexit, and it is time to start delivering those benefits. Nothing in the amendments changes the obligation on the regulators to act to advance their statutory objectives, so any reduction in regulatory burdens must be compatible with those objectives.

Let me briefly cover the two remaining Government amendments, and I will then move on. New clause 20 ensures that a new type of fund vehicle currently being explored—the unauthorised contractual scheme—would be commercially viable if it were introduced. The proposed fund has the potential to improve the competitiveness of the UK by filling a gap in the UK's existing fund offering and supporting the domestic growth agenda by facilitating greater investment in UK real estate by UK funds. Amendment 17 is a minor and technical amendment to rectify an inadvertent omission in drafting.

I will now address the amendments tabled by other Members. I am conscious that I am speaking before Members have had a chance to introduce their amendments, so I look forward to responding in more detail, where necessary, at the end of the debate. Let me start with the important issue of access to cash. I represent a rural constituency with a higher-than-average proportion of elderly and vulnerable residents, so I am acutely aware of the very real concerns around this topic. As of today, there remains extensive access to cash across the UK as a whole—over 95% of people live within 2,000 metres of a free cashpoint. I want to be clear that it is not acceptable for people to have no option but to travel large distances or pay ATM fees to access their own money.

If hon. Members have a concern in their local area, as I know many have, I strongly recommend that they reach out to LINK, which is leading the industry-led initiative to see what can be done to help constituents. LINK is delivering, for example, a new free-to-use ATM in the Pollards Hill estate in the constituency of the hon. Member for Mitcham and Morden (Siobhain McDonagh)—I have already made a commitment to her to visit and open it.

Siobhain McDonagh (Mitcham and Morden) (Lab): May I say to the Minister that I am delighted that LINK is providing that machine? That part of outer

[*Siobhain McDonagh*]

London is, as many Members here will know, inaccessible apart from by limited public transport. There are two paid-for machines in the terrace, but a free one has been refused for years and years and years. I believe that this machine may be coming because of this very amendment—new clause 7. Unless it is there in writing, how can anybody in this House feel confident that free cash machines will be kept? Their numbers are reducing at pace.

Andrew Griffith: The hon. Lady probably proves each of our points, including my point that we start from a position where there is an industry-led solution, and I am sure that many colleagues will be auditioning for these new industry-led free cash machines.

2.30 pm

Dame Andrea Leadsom (South Northamptonshire) (Con): Will my hon. Friend give way?

Andrew Griffith: I was just about to mention my right hon. Friend.

Dame Andrea Leadsom: The Minister and I had a very good conversation about this very subject. He is aware that back in the days of a former Treasury Committee and an earlier Government, there was a huge move away from ATMs per se, let alone free access to people's own cash. Can he therefore make it clear at the Dispatch Box what he said to me, which is that the Government are entirely behind free access to cash and will make that clear in the guidance?

Andrew Griffith: My right hon. Friend is just one of many colleagues—many in the Chamber today, but also my hon. Friends the Members for Newton Abbot (Anne Marie Morris) and for Don Valley (Nick Fletcher)—who have made precisely this point. It is the Government's expectation that the industry-led initiative must deliver. As I will come on to clarify, the powers we are taking in the Bill—we are not mandating them, because we do not support the amendment from the hon. Member for Mitcham and Morden (*Siobhain McDonagh*)—give us the flexibility in future, by means of a direction statement to the industry, to mandate free cash machines.

Siobhain McDonagh *rose*—

Andrew Griffith: Let me finish this point, because I know many Members are vexed by this issue and we understand how important it is. Work has been done since my right hon. Friend the Member for South Northamptonshire occupied my position. A further 47 communities represented in this House will benefit from similar cash facilities funded by the banks, as part of that LINK assessment process. I urge all colleagues to take advantage of that, and my office is happy to help to do that.

Several hon. Members *rose*—

Andrew Griffith: I am going to finish this point, and then we will hear from more Members. We must not underestimate the significance of what the Bill is doing: it is taking legislative action for the first time in the more than 1,000-year history of the Royal Mint, where the UK pioneered paper banknotes in the 17th century

and since we introduced the world's first ATM in 1967. This Government—right now, today—are putting on the statute book and protecting access to cash, to safeguard the needs of those who need it.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): Like my right hon. Friend the Member for South Northamptonshire (*Dame Andrea Leadsom*), I had a very useful conversation with the Minister. Will he confirm what I think he just said, which is that if it becomes clear that people do not have free access to cash across the United Kingdom, the Government will proactively intervene to make sure that they do?

Andrew Griffith: We talked about my right hon. Friend's relative munificence of 53 free cash machines in his constituency—I think it was that at the last count. What he says is the case. The Bill gives the Government the ability at any point in time to give direction to the Financial Conduct Authority, the relevant regulator—this is the basis on which we regulate all our financial services in this country—through a policy statement that will set out the Government's policy on such matters as cost and location. I am being clear that it is our expectation that the industry will deliver on this important issue for our constituents. If not, the Bill gives any future Government the ability to mandate that.

Kit Malthouse (North West Hampshire) (Con): Notwithstanding the support that the Minister is giving to the notion of free cash, he will recognise that the Government cannot sit there like King Canute, and that between 2010 and 2020 the number of payments made in cash went from 50% to 17%. That has fallen yet further during the pandemic. There are significant advantages to cashless transactions, not least in the elimination of crime. Actually, it is a bit of a myth that there are sections of society that struggle, and we see that most apparently in the advent of cashless parking. There are hardly any councils left in the country now that use cash for their parking. They are all using apps on smartphones. When we introduced it when I was at Westminster City Council, we did not have a single complaint from an elderly person—quite the reverse. They often found it much easier than fumbling around for coins and notes to be able to park, as well as having the ability to extend the time using the phone. There are great advantages to the elimination of cash in society too.

Andrew Griffith: My right hon. Friend is right and illustrates well the Government's desire to achieve the right balance in this debate, rather than operate at either extremity. He will know from his former role the significant move in relation to Oyster and the ability to be cashless.

Siobhain McDonagh: Is the Minister aware that we have lost 12,599 free-to-use ATMs since 2018? That is a reduction of 24%. Who in this House, understanding that trajectory, would believe that the numbers are not going to fall further?

Andrew Griffith: I will repeat my previous point, and the hon. Lady will have her chance to speak later. It is the objective of the Government, in the course of the transition that my right hon. Friend the Member for North West Hampshire (*Kit Malthouse*) talked about, to protect the vulnerable and ensure that protection of

access to cash. The hon. Lady's statistic is right, but I reiterate that more than 95% of people today live within 2,000 metres of a free cashpoint, and I hope she recognises that.

Anthony Browne (South Cambridgeshire) (Con): I want to follow up on some of the comments from my right hon. Friend the Member for North West Hampshire (Kit Malthouse). Cash is being used far less than it was previously. That is good and convenient for many people. I fully support the Government's moves and the ambition across this House to ensure that we have access to free cash, but there is no point in people having access to free cash if they cannot spend it on essential items. I just flag that many retail outlets no longer accept cash. It is not just parking; there are cashless bars and so on. That is fine, but there is a scenario where outlets that sell essential items such as food shops and chemists might at some point be required to accept cash, because if they do not accept cash, lots of people will be excluded.

Andrew Griffith: My hon. Friend makes another important point, and I fear we are in danger of previewing the debate that we shall have this afternoon. When we talk about access to cash, we are not just talking about withdrawals; we are also talking about the deposits that are so vital. If our small businesses in particular are to continue to take cash, they need to be able to deposit that securely, safely and conveniently.

Dr Rupa Huq (Ealing Central and Acton) (Ind): I just want to broaden the debate from ATMs to bank hubs. These were promised as a panacea for towns where the last bank has gone, such as Acton. It is not just about rural communities. Acton was one of 10 places that were promised a bank hub last December, but nothing has happened. There is a lack of will, and they are under-resourced and voluntary. Perhaps there is an argument for more regulation to make them happen, because *The Daily Telegraph* and the *Daily Mail* were saying in the autumn that none of these—zero—has happened, but I understand that since then two of them have. In the meantime, Acton is a cash desert. In 2018 we lost our post office, never to be replaced. What advice does the Minister have for me? How can he compel that bank hub to open?

Andrew Griffith: The bank hub initiative, just like the new voluntary initiative on LINK cash machines, has an important role to play. Frankly, these initiatives have started relatively recently, and as well as making sure today that we get the right balance in statute, we also need to see them delivered. I will take that case forward for the hon. Lady, and I will write to her. The bank hubs programme is now being deployed at pace. My hon. Friend the Member for Totnes (Anthony Mangnall) boasts of his bank hub, which I suspect will not make the hon. Lady delighted, but it shows that they can deliver, and that is what we want.

I will clarify for the record what we are saying, if I may. Under the Bill, the FCA, when acting to ensure reasonable access to cash, has to have regard to the Treasury's policy statement in this area. That is the statement that will set out from time to time the Government's position on matters such as cost and location, and the FCA will have to have regard to that when setting the detailed prescriptive regulations.

That gives time—I am putting the industry on notice—for those industry-led schemes to prove that they can deliver, and to ensure that the Government have a robust regulatory framework: a belt-and-braces framework. I believe that is the right and flexible way of dealing with the matter, rather than right now locking it in statute for all time. I will ensure that we reflect the House's views on that when we craft the policy statement.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): The Minister is being very generous in giving way. The point made by the right hon. Member for North West Hampshire (Kit Malthouse) makes clear the need for free access to cash to be provided for in the Bill. As the number of people making cash transactions falls, it becomes more expensive to distribute cash freely. There is, however, as I hope we all understand, a vulnerable group in our society who still need free access to cash. As cashless transactions increase, the need to maintain free access to cash for the most vulnerable people in our society increases. That is why we are asking for it to be provided for in the Bill.

Andrew Griffith: I agree with the hon. Lady's point that it becomes a pressing issue. The justification, having successfully transacted in cash since the first Roman emperor decided to dispense pieces of metallurgic value with his head on them, is precisely that we see the transition and we want to get it right, in the interests of the vulnerable. The Bill also contains powers to regulate the wholesale distribution of cash—those people who trunk cash up and down cash centres across the United Kingdom.

Kit Malthouse: Will the Minister give way?

Andrew Griffith: We have spent a long time on cash, so I will take one final intervention on this. Then I will make progress, simply to allow other Members the chance to make the points that they are here to make.

Kit Malthouse: I am grateful to the Minister. He may not be old enough, but some of us will remember the moment the cheque started to go out of usage. There were lots of claims of damage to certain sections of society, and that lots of people would be outraged when the cheque disappeared. Now people operate without chequebooks on a daily basis, and no retailers, as far as I am aware, accept cheques. On the idea that we should mandate that cash be accepted, we cannot stand in the way of the fact that consumers are voting not to use cash. The market is telling us that cash is running out of use, and let us scotch the myth that there is such a thing as a free ATM. The network at the moment costs about £5 billion to operate. That is paid for by every user of the bank, whether they use the ATM or not.

Andrew Griffith: My right hon. Friend makes his points very well. As he said earlier, there are significant benefits in relation to fraud, traceability and the environment from dematerialising, but it is not the position of the Government to advocate for it.

Siobhain McDonagh *rose*—

Dame Andrea Leadsom *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. I reiterate what the Minister said: a lot of Members wish to speak in the debate, and he has been on his feet for about half an hour. If we are to have time for the amendments and other contributions, we need to cut back on interventions.

Andrew Griffith: Thank you, Mr Deputy Speaker; you are as wise as my right hon. Friend the Member for North West Hampshire is flattering. We will make some progress and allow others to contribute.

Let me move on to access to banking and payment services. Just as we have said about cash, they are the essential ingredients of modern life and for many businesses. The new clause tabled by my hon. Friends the Members for Hastings and Rye (Sally-Ann Hart) and for Northampton South (Andrew Lewer) raised the important issue, to all of us in this House, of free speech, and the crucial role of payment service providers in delivering services without censorship. Since Committee stage, I have met with my hon. Friend the Member for Hastings and Rye, the FCA and PayPal regarding its recent temporary suspension of some accounts. I draw hon. Members' attention to my letter deposited in the House, in which I set out the Government's position on that important matter. I also circulated the letter from PayPal that sets out that it re-evaluated and reversed its decision in a number of the specific cases raised. It says that it was never its intention to be an arbiter of free speech, and that none of its actions was based on its customers' political views.

I want to be extremely clear that the Government are committed to ensuring that the regulations respect the balance of rights between users and service providers' obligations, including in respect of freedom of expression, whether of the Free Speech Union, the trade union movement, law-abiding environmental movements or anyone else expressing lawful views. To ensure that the existing regulatory regime is operating as it should in that respect, I will seek further evidence through the Government's review of payment services regulation in January. To continue this transparent dialogue with colleagues on an important subject, I will provide an update to Parliament in the form of a written ministerial statement before the formal closure of that review, and table amendments to the relevant regulations using the powers in today's Bill, if necessary.

We recognise the value that the mutuals sector brings to the UK economy in providing a door to affordable credit. The Government are committed to the health and prosperity of the mutuals sector, which is why we supported the private Member's Bill of the hon. Member for Preston (Sir Mark Hendrick), which would allow co-operatives, mutual insurers and friendly societies further flexibility in determining for themselves the best strategies for their business. As I said in Committee in response to amendments tabled to today's Bill by the hon. Member for Hampstead and Kilburn (Tulip Siddiq), the Government consider that the Financial Services and Markets Act 2000 already ensures that regulators consider mutual entities as they exercise their regulatory functions.

2.45 pm

Let me turn to another matter, which is as important to me as I know it is to many colleagues across the House: financial inclusion and consumer protection.

The Government are committed to financial inclusion, and want to ensure that people, regardless of background or income, have access to useful and affordable financial products and services. While I respect the intention behind the amendments tabled by the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy), who has been a consistent voice on this important matter, the FCA gave evidence that it does not consider that a new requirement for it to have regard to financial inclusion would add to its ability to act in this area.

Mr John Baron (Basildon and Billericay) (Con): On the FCA and financial inclusion, it is very wise that we ensure that good financial advice is imparted by the powers-to-be. In referring Members to my entry in the Register of Members' Financial Interests, may I say that when it comes to things such as investment trusts, we are still trying to throw off the yoke of well-intentioned but misguided EU regulation when it comes to information that could lead to a misunderstanding about risk? The FCA seems somewhat reluctant to carry that forward. Will the Government ensure that the regulators, including the FCA, are doing their job?

Andrew Griffith: My hon. Friend makes a very fair point. To be clear, the purpose of good financial regulation cannot be to extinguish risk, but is to give people choice and indeed allow them to reap the rewards of taking risk in an appropriate and informed fashion, so I completely agree with him.

On the theme of reporting, I assure the hon. Member for Blaenau Gwent (Nick Smith) and my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) that the consumer panel, like all other statutory panels, already produces an annual report with the panel's opinion on matters that it has engaged with the FCA on; however, following new clause 10 being tabled, I recognise the need to ensure that reports are brought to the attention of the House. I have engaged with the FCA, which has agreed with me that in future it will notify the Treasury Committee, as the relevant Committee of this House, on publication of the consumer panel's report, to ensure that Members of this House are aware of and can fully engage with it. I hope that that goes some way to giving the hon. Members the satisfaction that they seek.

Before I speak about the financial advice guidance boundary, raised in new clause 11 in the name of my hon. Friend the Member for West Worcestershire (Harriett Baldwin), the Chair of the Treasury Committee, let me congratulate her on her relatively recent election to that role—although I hope that we have worked well together even during her short time in it.

Nick Smith (Blaenau Gwent) (Lab): I congratulate the Minister on his earlier remarks about seeking to improve the performance of the FCA. Many people on both sides of the House want that to happen. It is pleasing that the Treasury Committee will hear information on reporting from the consumer panel of the FCA; however, a number of financial scandals have affected the constituents of Members across the House in recent years. While I hear what the Minister says, I am really looking for a greater opportunity to challenge the FCA through its consumer panel than he has so far suggested, but I hope that we can work together to strengthen that point.

Andrew Griffith: I thank the hon. Member for his point. I had that conversation with the FCA precisely to try to achieve that purpose. If there are other ways to do that that will help him, I am happy to do so.

I was talking about the financial advice boundary, which is a real concern and speaks as much to financial inclusion as to the work of the advisory sector. My hon. Friend the Member for West Worcestershire, when she was in this role, undertook some important work on the comprehensive financial advice market review, which led to some important improvements in the market at that time. Unlike me, however, she was not blessed with the Brexit freedoms of being able to influence our own rulebook.

I completely agree with my hon. Friend that it cannot be right that only the wealthiest can access financial advice. The situation today is a good example of the unintended consequence of well-meaning regulation that we should be alive to. I thank the Investing and Saving Alliance and others for their efforts to promote reform in this area, and it is something that I will take forward and see what I can do to progress. We will revisit the issue and work closely with the FCA and the industry. I assure her that there is nothing in the Bill that would impede any of the things that she seeks to do.

Harriett Baldwin (West Worcestershire) (Con): The Minister is making some encouraging sounds about new clause 11. In addition to the commitments that he has just made, will he instruct officials to look at the matter with the greatest urgency?

Andrew Griffith: I am happy to confirm that we will pursue it with great urgency, as the Government should be doing with everything in this important domain. Although the Government will not be supporting new clause 11 today, it goes some way to address the issue, so I will look at it as a basis for potentially moving forward. The Bill enables us to do that, so we do not have to do it today. I commend the other amendments tabled in relation to preventing consumer harm.

Stella Creasy (Walthamstow) (Lab/Co-op): The Minister has been talking about the importance of regulation. He will know that one area that is not regulated at all is buy now, pay later, and he will have seen new clause 28 in my name. A poll published today says that 40% of the British public will do their Christmas spending with a buy now, pay later loan. A quarter of those who use buy now, pay later are missing other payments, because they are getting into a cycle of unaffordable debt. We have been talking about regulating these companies for nearly three years now; the Government's proposals talk about regulation possibly coming in another year's time. Can he see a way to at least introduce the protection of the ombudsman, so that this Christmas does not leave families with a nasty wake-up call come 1 January?

Andrew Griffith: I will try to respond to the hon. Lady's points further when I sum up, so I can make some progress. We had that debate several times in Committee. We have to be slightly cautious about the unintended consequences of taking into scope a much wider set of transactions that involve an element of deferred payment, but I am sympathetic to her points.

I thank my hon. Friend the Member for Harrow East for raising the topic of a statutory duty of care for consumers. Ensuring that consumers of financial services get the right protection they need remains a priority. The FCA comprehensively analysed the options for improving that, which led to the consumer duty that will come into force in July.

The hon. Member for Bath (Wera Hobhouse) tabled new clauses 34 and 35 to require trustees of occupational pension schemes and fund managers to act in the best interest of beneficiaries, which is indeed the position as it stands today, although I will listen carefully to her points. Trustees and fund managers will be subject to the FCA's consumer duty, which puts on them a focus of delivering good outcomes for customers.

I turn to amendments relating to frauds and scams. The Bill is a huge step forward in tackling the growing problem of authorised push payment scams. I will be clear that, as I set out in my response to the hon. Member for Hampstead and Kilburn in Committee, the Government are committed to tackling fraud far more widely than in just financial services. She may like to know that the Home Office has now confirmed that a national fraud strategy will be published early in the new year.

Specifically for financial services, UK Finance publishes a half-year fraud update, which sets out how the industry is working together to respond to the fraud threat and to support customers. In relation to the amendments concerning the reimbursement of victims of authorised push payment scams, the payment systems regulator has already signalled its intention to deliver a higher degree of consumer protection.

On sustainable finance, no Government have done more on the climate. We have legislated to reach net zero greenhouse gas emissions by 2050. We support strengthening the UK financial services regulatory regime's baking in of the climate, as underlined by clause 25, which requires the regulators in discharging their functions to have regard to the need to contribute to achieving compliance with net zero. The regulators will be required to report annually on how they have considered that regulatory principle. That is a significant step in our goal of making the UK a net zero-aligned financial centre, and builds on our green finance and net zero strategies across the whole gamut of regulatory activity. The Government committed to updating our green financial strategy and will announce further information on timing imminently.

Dame Andrea Leadsom: I am delighted to hear that from my hon. Friend. Does he agree that that not just gives the UK a competitive edge but creates many new jobs and opportunities for the UK to lead the world in green finance, as well as other green industries in future?

Andrew Griffith: Absolutely; it is a strategy that pays back on many levels. It is biased towards left-behind communities and parts of the United Kingdom, it creates jobs and prosperity, it safeguards the prospects of the City of London and our financial and professional services and, of course, it ensures that we deploy capital in pursuit of the transition to a clean, low-carbon world.

Olivia Blake (Sheffield, Hallam) (Lab): How does the Minister square the language that he has just used about how great the UK is with two major banks that are based here providing £107.44 billion to the top 50 companies expanding upstream oil and gas? Is that not exactly why we need some of the sustainable finance amendments that have been tabled?

Andrew Griffith: I beg to differ with the hon. Lady, because it is important to finance the transition to achieve a just green financial future. While we are making all these efforts and coming forward with things such as the taskforce on nature-related financial disclosures, we will therefore make sure that we are not defaulting to divestments and boycotts, because that is not our view of the way that the Government will finance the clean energy revolution.

Caroline Lucas (Brighton, Pavilion) (Green): The Bank of England's climate stress test, published in May, showed that banks need to take climate action immediately or face a hit to annual profits of up to 15%. This is not just about airy-fairy words about the transition, but about banks that, as we have just heard, are bankrolling the fossil fuel industry, which will bring real risks to the finance sector as well as to the rest of the world. Can the Minister say whether he will support new clause 25?

Mr Deputy Speaker (Mr Nigel Evans): Before the Minister does, I will just say that he has been speaking for three quarters of an hour now. A lot of people want to contribute to the debate.

Andrew Griffith: On this side of the House, we are about action not words. I listened with great care to what the hon. Lady said, but action starts at home. In her constituency, the Green party leader flew on a jet aeroplane to COP and the level of recycling is half that of neighbouring West Sussex. People should get their own house in order before coming to virtue-signal about others'.

New clauses 8 and 9 in the name of the hon. Member for Sheffield, Hallam (Olivia Blake) raise the important issue of financial stewardship. The Department for Work and Pensions, which is responsible for that, has already made a public commitment to review stewardship disclosure requirements. That will be done during 2023.

Finally, the Government believe that effective commodities market regulation is key to ensuring that market speculation does not lead to economic harm. The current regime we have inherited from the EU is overly complicated and poorly designed. To ensure that this is calibrated correctly, the Bill delegates the setting of position limits from the FCA to trading venues themselves. The amendments in the name of the right hon. Member for Hayes and Harlington (John McDonnell) seek to reverse this. The Government's position is that this would place unnecessary restrictions on investors, to the detriment of all market participants. It would place the UK at a disadvantage compared with other international financial centres, such as the EU, that apply restrictions only to contracts that genuinely pose a risk.

3 pm

Mr Deputy Speaker, I apologise for having spoken at some length—I wanted to engage with as many colleagues' amendments as possible—but I hope I have provided a clear and reasonable explanation of the Government's position and why we have taken it. I look forward to a constructive debate on the Bill.

John McDonnell (Hayes and Harlington) (Lab): On a point of order, Mr Deputy Speaker. I do not wish to delay the debate, but in the *Financial Times* today there is an announcement that the Chancellor of the Exchequer will make a significant statement on Friday about the future of our financial services. There was no reference by the Minister to that statement. It looks as though the statement will be made outside the House, not to the House, because it is being made in Scotland on Friday. Could I ask for your intercession to remind the Government that major statements of this sort, and it is billed as the most significant statement in the last 20-odd years, should be made on the Floor of the House?

Mr Deputy Speaker (Mr Nigel Evans): I am getting no indication that the Minister wants to comment on that, but the fact is that the Speaker has said time and again that he deprecates statements that should be made to the House first being made elsewhere, and I am sure the Minister will take that on board.

I call the shadow Minister.

Tulip Siddiq (Hampstead and Kilburn) (Lab): The Opposition support the Bill, particularly the new secondary objectives for regulators on international competitiveness and long-term growth. It is a welcome first step in supporting the City to take advantage of opportunities outside the EU, such as creating a welcoming environment for new financial technologies and incentivising financial services to increase investments in domestic industries through reform of solvency II.

We were delighted when, after much pressure from the Labour party, the Minister decided to drop his dangerous policy of the intervention power. Despite repeated warnings from the Bank of England, business and the Labour party that he should not be putting the UK's international competitiveness at risk by threatening our system of regulatory independence, the current Minister pushed on and told me it was a good thing. In my eyeline, I can see the hon. Member for North East Bedfordshire (Richard Fuller), who, when he was the Economic Secretary to the Treasury, said to me on Second Reading that it was right for Ministers to be able to intervene in such a way.

Bim Afolami (Hitchin and Harpenden) (Con): On regulatory independence, notwithstanding the particular call-in power the hon. Lady is describing, would she agree that it is important for the elected Government and this House to be able to set the direction in which regulators are meant to go, and that if the regulators are not going in that direction, this House and the Government should be able to correct the direction they are going in?

Tulip Siddiq: I support much of what the hon. Member says, and I will come on to that a little later in my speech, but the call-in power is very different from what he is describing. Time and again, we warned Ministers that this would be detrimental to our regulatory

independence, and they did not listen. However, if the hon. Member listens carefully, he will hear, when I come on to the next page of my speech, that I will address the valid points he is making.

In Committee, when I pushed the current Minister on why this dangerous intervention power was necessary, he told me that voices in the industry had told him we needed an “agile and flexible system”, which he claimed could only be brought about by this intervention power. After all of this from the three Economic Secretaries I have shadowed in 10 months, who kept pushing this dangerous intervention power, strangely enough the Government then dropped the policy: I just received an opaque letter, which did not really offer any proper explanation for why this Government have had a change of heart. If you do not mind my saying so, Mr Deputy Speaker, I thought about when I got a text from my crush in the sixth form telling me there would be no second date, without his actually telling me face to face why he did not want to see me again. I do wonder why, but I say to the Minister that I am grateful that he listened to the Labour party and has dropped the dangerous intervention power. I only wish he had done it sooner, so we could have saved some unnecessary damage to our global reputation.

While the intervention power was wholly inappropriate, we recognise that the Bill facilitates an unprecedented transfer of responsibilities from retained EU law to the regulators, and this does require democratic accountability. That is why I am glad the Government have listened to the concerns raised by me and others in Committee and have introduced new clause 17, which will allow regulators to be held to account against key metrics.

I hope the Minister will be able to commit to supporting new clause 10, tabled by my hon. Friend the Member for Blaenau Gwent (Nick Smith), to further strengthen the democratic accountability of regulators.

I was absolutely delighted that the hon. Member for West Worcestershire (Harriett Baldwin) was following my speeches at the Labour party conference so closely, where again and again I made the case for a new form of regulated personalised guidance. She has tabled new clause 11, which would create the space to do that, and I hope the Government will support her new clause.

Mr Baron: I hope the hon. Lady’s ex-crush realises what he has missed, but may I briefly pick up the point about democratic accountability when it comes to supervision of the regulators? I suggest that those regulators need to heed the advice of the professional bodies working in the sector. I raise again the issue of investment trusts. We have the Association of Investment Companies and many others saying that key information documents—a well-intentioned but misguided legacy of misguided EU regulation—are actually assessing risk incorrectly, to the detriment of investors. They are saying that now, and the FCA has control, yet we do not seem to be doing much about it. We are not making much progress on this issue, and meanwhile investors are being misled. Would she agree that we need to listen to the trade bodies as well?

Tulip Siddiq: I always want to listen to experts such as the trade bodies. The hon. Member has a wealth of knowledge in this area, and I accept what he is saying. Overall, the Labour party agrees with a lot of the

policies in this Bill, which is why we have given it our wholehearted support. There are some missed opportunities that we feel could have been taken, and I think we could have strengthened our attractiveness for investments, as he is saying—I will come on to that later in my speech. I take his point, which is well made, and I hope the Minister will listen and will respond to it in his summing up.

Turning to my own amendments, I am worried about the lack of ambition in the Bill on strengthening fraud prevention. My new clause 1 would introduce the first national fraud strategy and data sharing arrangement for a decade. The National Audit Office, in its recent report, said that the Government simply do not understand the full scale of the fraud epidemic, despite the NAO calling for rapid action over five years ago. That is a damning statement. UK Finance has found that the Government’s failure to act on the fraud strategy and data sharing has seen the amount of money stolen from hard-working families’ and businesses’ bank accounts through fraud and scams hit a record high of £1.3 billion.

Despite that, in Committee, the Minister urged me to withdraw my new clause on the matter. He told me to be patient, and he told me that there would be a fraud strategy before Christmas. Now he is saying there will be one early next year, but how can we trust him not to kick the can further down the road? So I will be holding the Minister to account. There are only 24 days left until the end of the year, and people whose lives have been ruined by fraudsters cannot afford to be patient any longer.

Following our debate in Committee, leaders from across the financial services sector told me that the Government’s approach of placing data sharing responsibilities on the banks alone was stuck in the last century and allows tech-savvy criminals to get rich at the public’s expense. My new clause would put in place a data sharing arrangement that extends beyond just the banks to include social media companies, crypto-asset firms, payment system operators and other platforms that are exploited by criminals. If the Minister does not listen to the Labour party, I hope he will listen to the National Audit Office, businesses and victims of fraud, and finally give enforcement agencies the powers they need to crack down on criminals by voting for our new clause today. I also hope the Government will support my new clauses 2 and 3 and new clause 7, tabled by my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh); because we have spent a substantial amount of time speaking about free access to cash I will not elaborate too much on that, but she has our full support.

Matt Rodda (Reading East) (Lab): My hon. Friend is making an excellent speech. Does she agree that new clause 3, on access to banking, is particularly important? For many disabled and elderly people and others with mobility issues, and indeed for small businesses, access to banking as a whole, as well as access to cash, is hugely important; that has been very evident in my constituency.

Tulip Siddiq: My hon. Friend is a doughty champion for his constituents. I will speak about that later, but I feel that we politicians have a duty on this: even if there has been a decline in the number of people using cash, there is still a small group of vulnerable people who do

[Tulip Siddiq]

so, and they risk being excluded if we do not save free access to cash and face-to-face banking services. We have a duty to our vulnerable constituents, disabled constituents and those from black and minority ethnic backgrounds who still rely on cash.

David Mundell: I fully understand what the hon. Lady is saying, but it is not a small number of people: it was estimated in 2019 that 8 million people across the United Kingdom would struggle without access to cash.

Tulip Siddiq: I thank the right hon. Gentleman for his intervention. I welcome the fact that the Government have finally announced that they will bring forward access-to-cash legislation, but this Bill does nothing to protect face-to-face banking or free access to cash, which is our main concern and is what the most vulnerable in our society depend on.

Since 2015, on this Government's watch nearly half of the UK's bank branches have closed. It is inevitable that banking systems will continue to innovate—no one is denying that—but the failure to protect these services risks leaving millions of people behind. My amendment would empower the Financial Conduct Authority to review communities' needs for and access to essential in-person banking services. To be clear, I am not saying banks should be prevented from closing underused branches—far from it. I explained this thoroughly in Committee but will say it briefly again now: vital face-to-face services could be delivered through a variety of models, such as shared banking hubs, which are already being set up across the country to provide cash services.

In Committee, the Minister was again very persuasive and convinced me to withdraw my new clause. He said he accepted the underlying need for action and that solutions would be brought to the table. I believed him, but despite warnings from Age UK, Which? and the Access to Cash Action Group—which does fantastic work in this area—that vulnerable people are at risk of being cut off from the services they desperately rely on, the Government have completely failed to engage on this important issue, and this time I will not be making the same mistake: I will not withdraw my new clauses. The Government need to demonstrate they will not simply abandon those who are struggling to bank online.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): I want to pledge my support for new clauses 2 and 3. In my constituency we have lost 13 to 15 banks since 2015, and we are more or less wholly reliant now on the Post Office to provide financial services in large parts of north Carmarthenshire. Worryingly, the new deal starting next year only lasts until 2025, and if that were to break down for whatever reason, there would be real issues in many communities.

3.15 pm

Tulip Siddiq: The hon. Gentleman is right that this is not just about bank branch closures; it is also about pressures in the Post Office. It is possible to provide some of the services through the Post Office, but we have a duty to preserve some of the banking hubs to ensure that the Post Office does not get overwhelmed. I am sure the hon. Gentleman has travelled around his constituency, and anybody who walks around their

constituency will see the need for bank branches, banking hubs and post offices for our most vulnerable constituents. I am also surprised that the Bill has so little to say on financial inclusion more broadly, despite my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) flying the flag for financial inclusion with her brilliant amendments.

The co-operative and mutual sector also plays an important role in delivering financial inclusion. The Bill's measures fall short of the Labour and Co-operative parties' shared ambition to double the size of that sector in the UK. That is why I have tabled new clauses 4 and 5 requiring the regulators to report on how they have considered mutual and co-operative business models. In Committee, the Minister said that given that appropriate arrangements are already in place for regulators to report, that the FCA and Prudential Regulation Authority already produce well combed-through annual reports and that there is no deficiency in the level of engagement with the sector, such a measure is simply unnecessary. The sector was shocked by the Minister's ill-informed response. It pointed to the FCA's most recent annual report, published in July, where there is not one mention of the needs of co-operatives, mutuals, building societies or credit unions, while in the latest PRA annual report, building societies are just lumped in with standard banks. Every single business leader that I have spoken to, from Nationwide to the firms represented by the Building Societies Association, have called for the FCA and the PRA to report separately on these specific business models. Either the Minister believes he understands the needs of British mutuals and co-operatives better than the sector itself or he should support my amendments.

What is perhaps most striking, however, is how little the Bill has to say about green finance. Over a year ago, the present Prime Minister promised to make the UK the world's first green financial centre, but on Monday the CBI warned that the Government are “going backwards” on building a greener economy. CBI director-general Tony Danker said firms need more action from Government on green finance. I therefore hope the Minister will support my new clause 6 requiring the Treasury to publish an updated green finance strategy with a clearly defined green taxonomy, as well as new clause 24 tabled by the right hon. Member for Epsom and Ewell (Chris Grayling) introducing greater protections against deforestation. The Minister has said he is going to produce such a strategy imminently, but we look forward to hearing a timeline, because we are now very suspicious of the word “imminently” and want to hear clear dates and times.

In Committee, the Minister and his Conservative colleagues seemed astounded when I said that the Government and Minister were complacent about green finance. They took such issue with that that I felt I had to provide some evidence in my speech as to why I said it. The Government's own independent Green Technical Advisory Group told them last month that they had to send a rapid market signal or we would risk falling further behind Europe, which launched its taxonomy back in 2020. In 2020 the Government legislated through a statutory instrument for a legal deadline of 1 January 2023 for the UK to establish the first set of green taxonomy criteria. That is less than a month away, so can the Minister tell me whether he is going to meet his own legal deadline? He is welcome to intervene on me if he thinks he is going to meet it.

The highlight of the Committee stage was when I received an early birthday present from the Minister: he gave me a copy of the “Global Green Finance Index” to read, which I read from cover to cover. It is scintillating. I thank him for the interesting read, but has the Minister read his Government’s own policy document, “Greening Finance”? If not, I have a copy here for him. The report says that the country is committed to consulting on the UK’s green taxonomy in the first quarter of 2022. No one will disagree that we are well beyond the first quarter of 2022. The reason I used the word complacent is that we are dealing with a Government who have missed their own deadlines and their own targets on green finance. If that is not complacency in action on green finance, I do not know what is.

Vicky Ford (Chelmsford) (Con): I want to talk about new clause 17, especially in relation to the insurance sector.

The insurance sector is extremely important in my constituency. Insurers and insurance brokers based in Chelmsford are responsible for about 3,000 jobs in my constituency. In addition, Chelmsford is a major commuter city and many more of my constituents commute into London to work in the insurance sector. It is also a very important sector to the UK. The entire UK insurance industry accounts for 4% of our national GDP. The sector brings in an estimated total tax contribution in the region of £16.1 billion, or 2.2% of UK Government tax receipts for 2020. To put it another way, the insurance sector’s tax paid the salaries of every single nurse in the NHS in 2020-21. It is a really important sector and we do not discuss it often enough.

Insurance is also a very international business. Insurers and brokers based in Chelmsford have parent companies in the US, Switzerland, Japan and Australia. All have chosen to be in the UK as a centre for investment, and more international investment means more highly paid jobs supporting not only the City of London but local economies such as those in my constituency and beyond. That investment is under threat. It faces competition from other jurisdictions and the amendments we are debating today will help to show new and existing investors that the UK is open for business. It is a highly competitive global trading environment and London must keep pace with other parts of the world—they want our business. London remains a world-leading speciality insurance market. Three quarters of business booked in the UK comes from outside the UK and London. It is an export-led market. It is not replicated anywhere else in the world.

London retains a lead role thanks to its historical prominence. However, its market share has stagnated in the past decade. The UK needs a renewed focus on competitiveness and growth, and the amendments we are discussing today will help to ensure clear accountability and transparency in how we do that. It is not a theoretical risk that we will lose business to other countries. We have already lost out on new markets, investment and opportunities. Singapore copied the UK’s insurance-linked securities regime, a new form of insurance and risk transfer product. It recognised the quality of the UK’s legislation that this Government introduced in 2017, but when it implemented the regime, the Singapore regulator took a proportionate regulatory approach and that has encouraged many more new entrants. Singapore has approved 18 ILS vehicles in less time

than it took the UK to do five. In 2021 alone, the UK lost out on over \$700 million of foreign investment in ILS to Singapore, because its regulator is more agile and more proportionate, even though it has the same legislation.

There are also problems in just getting the day-to-day work done. The Bill Committee heard evidence from industry about how the FCA is sometimes taking nine months to authorise a chief executive coming from overseas to operate in the UK. That is just not good enough. I have also been told that not a single new insurance company has been set up in the UK in the last 15 years. Surely that is a clear sign that the UK is risking its position as the world’s leading insurance centre? Businesses face vital choices about where they place capital, income and people. Regulation is a key part of that decision-making process. That is why it is so welcome that the Government are introducing the new secondary objective on international competitiveness and economic growth. It is crucial. This is not a call for a race to the bottom in regulation. High regulatory standards are a strength of the UK system, but regulators across the world, from Australia, Hong Kong, Japan, Malaysia, Singapore and the EU, are all required to consider international competitiveness, so we should do so, too.

I congratulate the Minister and his officials on their work to date, especially on new clause 17. It is a very welcome recognition from the Government that there is a cultural problem with the regulators, that action is needed on the part of the regulators to address key issues regarding their performance, and that the Government have a key role in holding the regulators’ feet to the fire. The new clause introduces a power over the regulators’ reporting requirements by providing a mechanism through which to direct information to be published, but it is unclear how and in what circumstances His Majesty’s Treasury would use the powers within it. Can the Minister therefore confirm whether he intends to seek a report on the new international competitiveness and growth objective as soon as possible, given that it is a critical new objective for the regulators? Can the Minister also confirm that, in future reporting of the international competitiveness objective, he and other Ministers will impress upon the regulators the need to consider metrics specific to competitiveness, not just domestic competition, and that that must include comparative analysis of our regulators’ performance against competitor jurisdictions, as well as analysis of product and service innovations taking place in key markets?

The new clauses tabled by my hon. Friend the Member for North East Bedfordshire (Richard Fuller) go further on proposing a clear reporting criteria for the regulators to follow and on delivering international competitiveness and the growth objective. That would enable Parliament—I am looking at the Chair of the Treasury Committee, my hon. Friend the Member for West Worcestershire (Harriett Baldwin) here—to understand better how the regulators have been performing and the contribution they are making to facilitate our competitiveness and growth. In particular, new clauses 13 and 14 are designed to give the Government powers to require the publication of more performance metrics, including on new applications, authorised entities and persons. They already have some performance criteria, but the new clauses would extend that approach. It does not mean reinventing the wheel. Many are taken from the performance criteria of regulators

[Vicky Ford]

in competitive jurisdictions. It would not compromise their independence, high standards, financial stability or consumer protection.

New clause 14 would add to the regulators' authorisation key performance indicators outlined in the Financial Services and Markets Act 2000. It would require them to publish monitoring data related to the determination of authorisations. This is a real issue for many of those acting in financial services. It would reduce the compliance burden for firms that regularly need to give clear applications for approved individuals and would, in turn, promote the openness of the UK for highly skilled talent. I am nearly finished, Mr Deputy Speaker, but there are a few more I want to mention.

New clause 15 would require both the FCA and the PRA to publish an annual report setting out how they facilitated international competitiveness and growth against a range of data and analysis requirements. Instead of allowing the regulators to mark their own homework, it would enable Parliament to understand how the regulators are helping the UK to be more competitive and ensure that they undertake comparative analysis with other jurisdictions.

New clause 16 is targeted at achieving a more proportionate approach to wholesale and retail financial services. Although the regulators have a proportionality principle, it is clearly not working in practice. I have heard time and again from insurers in my Chelmsford constituency and others that the regulators have adopted a one-size-fits-all approach to regulations by treating all financial services, no matter the product or customer, as the same. This means that the regulators in insurance are spending time and effort on over-regulating sophisticated corporate entities with teams of professional advisers, which is really affecting their competitiveness. It would be much better for them to spend that time and effort on protecting individual retail customers, such as our constituents, when they are buying products online or on the high street. The wording of the new clause should be familiar to the Minister's officials, because it is borrowed from the recommendation for a proportionality principle for all regulators, which was published in June of last year by the Government's taskforce for innovation, growth and regulating reform.

Amendments 1 to 6 would ensure that the cost-benefit analysis panels are better equipped to undertake the necessary scrutiny of regulators' work, and would ensure that they are independent from the regulators, that they can publish their recommendations, and that the regulators must respond to those recommendations. Again, this would mean that Parliament, industry and public see the data and avoid a situation in which the regulators are marking their own homework behind closed doors.

I understand that my hon. Friend the Member for North East Bedfordshire might not move the amendments, but they are all extremely serious. As I said, the industry makes such an important contribution to the tax income of this country and is key to funding our public services. It would be a tragedy to lose our international competitiveness and an industry that dates back to the Great Fire of London, so let us make sure that the Minister and the Treasury team can take the amendments into account.

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

3.30 pm

Peter Grant: Thank you, Madam Deputy Speaker. I am pleased to speak on behalf of the Scottish National party in this afternoon's debate, and I find myself in a strange position: after welcoming the new SNP leader last night, it is quite possible that, having stood up from the Front Bench, I might be sitting down on the Back Benches. It is a strange experience for me, but it has been quite common on the Conservative Benches for most of this year.

Colleagues who served on the Bill Committee will know that I had to miss most of its considerations for family reasons, and I want to place on the record my thanks to my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes), who unhesitatingly took on my share of the work on the Committee as well as his own. By all accounts, from what I have heard from Members of all parties, he did so very well. None of them said that he did it better than I would have done, although quite possibly he did.

We have well over 60 new clauses and amendments in front of us today, and we are not going to do justice to 10% of them—that is the nature of the way this place operates. I am also well aware that since we started the Committee deliberations, only three parties have had the chance to contribute, and I think it is only fair—I hope it is possible—that that balance be addressed later today. Other parties have voices and constituents, and the voters and constituents who do not like the governing party have a right to have their voices heard in the debate, which will be the only chance that they get.

I intend to simply restate the SNP's position on the main themes of the Bill, as an indication of where we stand on most of the amendments. I will mention some specific amendments, but I hope that my comments will give an indication of which ones we support.

We recognise that there is a need for a complete overhaul of the UK's financial services regulatory framework, although possibly in a slightly different direction from where the Government want to take it. For example, I have long argued that the Financial Conduct Authority does not have enough powers or resources. It has to be said that sometimes it does not seem to have the desire to take swift and effective action to stop frauds before they happen, and sometimes it does not have the power to compensate victims afterwards.

The SNP continues to have severe reservations about forcing regulators to put international competitiveness on an equal and sometimes higher footing than their actual regulatory responsibilities. There is a potential and very clear conflict of interests between being responsible for regulating the conduct of organisations and being responsible for helping them to become profitable. There are ways that companies can become more competitive that are quite clearly helpful to the public interest, and there are ways they can do it that are neutral to the public interest. There are also ways that a company can become more competitive that are extremely damaging to the public interest—for example, look at the way P&O treated its workers a few months ago. That made the company more competitive, but it was clearly against the wider public interest.

The regulators should have clear responsibilities on matters such as financial stability, consumer protection, fraud prevention and climate change objectives. On climate change objectives, I will not shilly-shally and make excuses; I will support new clause 25 if the House divides on it.

The Government have missed the chance—although from the Minister's comments, I think we can assume that they have deliberately ignored the chance—to put financial inclusion at the heart of the Bill, so we will support amendments that address that. My understanding is that the official Opposition will press new clauses 2 and 7 to a Division today and we will certainly support them. As has been mentioned, free access for people to get their cash out of the bank is important and has to be available as a legal right, not simply as a by-your-leave on behalf of the banks and other financial institutions. I share the suspicion that if the amendments had not been tabled and if the banks had not known that those were coming, they would not have been nearly so keen to adopt voluntary codes of practice, and so on. We will also support new clause 23, which will force the FCA to give much more recognition and priority to the requirement for greater financial inclusion.

As I mentioned, we welcome the Bill's anti-fraud measures, but they do not go nearly far enough. The Bill is hardly even present-proof, never mind future-proof. It is almost as though we are finally catching up to legislate, at the end of this year, for last year's scams, and we are failing to notice that the bad guys and gals have designed new scams for this year and are already working on next year's. For example, I welcome the fact that the Bill will give the Payment Systems Regulator a duty to improve the reimbursement of authorised push payment scams, but the same provision will not be carried over to the victims of crypto-scams, pension scams, investment scams or various others.

We will support new clause 1, as well as new clause 36, if that is pushed to a vote. New clause 36 emerged from a conversation between Public Accounts Committee members after we took evidence recently on the Government's record on tackling fraud. A lot of us were struck by the fact that we knew, but had never really thought about, the fact that nobody has any idea of what the real level of fraud is in the United Kingdom, because, too often, financial institutions have a self-interest in choosing to cover it up rather than to report it. We know that 40% of reported crime in the United Kingdom is fraud, and the proportion is probably higher than that because a lot of the frauds against individual institutions are covered up rather than reported.

I am grateful to the hon. Member for Sheffield, Hallam (Olivia Blake) for taking the time and trouble to introduce that new clause. If, as I strongly suspect will happen, the Government say that they are not against the principle but that they do not like the way in which it has been drafted, I hope that they commit to introducing a similar amendment in the other place in due course.

I remember—I think a lot of Opposition Members do—that not that long ago, the Tories were very enthusiastic about the idea of forcing people, including Members of Parliament, to report cases of suspected illegal immigration. It will be a real test and give a real indication of how seriously the Government take the damage that fraud

causes to all our constituents if they refuse to even consider a similar requirement to report cases of suspected fraud.

The final serious concern that we have about the Bill, as with several other Bills that we have seen being rammed through this place, is the relentless drive to become as different as possible from the European Union, just for the sake of it. Although I do not know whether amendments 8 to 11 will be voted on tonight, had the Government submitted those as new clauses in Committee, or had they been part of the Bill as published, it is almost certain that we would have opposed them.

It will come as no surprise that, on behalf of the people of Scotland, the SNP will resist any attempt to drag us further from our European friends and neighbours than we already are. We make no secret of our intention to keep our country in a position where the restoration of our independence will be followed as swiftly as possible by our restoration to our rightful place as a sovereign nation in the EU. We want the transition back into EU membership to be as easy as possible, so we want that to be from the starting point of being as close to alignment with the EU as we can be.

This morning, an opinion poll showed support for Scottish independence at 56%—by jings! The new leader of the SNP group has fairly made his mark, has he not? Fifty-one per cent. would vote SNP in a Westminster election; that is even more than the landslide that we had in 2015. That increases to 53% if, as the SNP intends, the Westminster election becomes a *de facto* referendum.

The prospect of Scotland applying to rejoin the European Union as an independent nation within the next few years is not just a fanciful idea, nor is it just likely; it is now highly probable and is rapidly becoming a certainty. We have to act in the best interests of the people of Scotland by making sure that after independence we remain as close as possible to our friends and neighbours in the European Union so that our transition back to European Union membership can be as swift and smooth as possible.

When we rejoin the European Union, it is very likely that central Scotland will immediately become its second biggest financial services centre. It matters to our economy to be able to get back into the European Union with as little fuss and disruption as possible. For that reason, the future of our financial services sector lies not in isolationism from the Government, but in internationalism through membership of the European Union.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. My plan is this: because there is a lot of pressure on time, I intend to prioritise those hon. Members whose amendments have been selected. It is really important for everybody to stick to six minutes. I am sure that the Chair of the Treasury Committee will lead by example so that I do not have to impose a time limit.

Harriett Baldwin: Thank you, Madam Deputy Speaker. I will try not to gabble.

I rise to speak to new clause 11, which stands in my name and in the name of many right hon. and hon. Members; I am pleased to hear from the hon. Member for Hampstead and Kilburn (Tulip Siddiq) that the

[*Harriett Baldwin*]

Opposition support it too. I should clarify that I am speaking in this debate as an individual Back Bencher, rather than as Chair of the Treasury Committee.

As the Economic Secretary has highlighted, one of the many benefits of being able to bring financial regulation back into the UK is that we can create rules that will help to unleash growth and investment here. My new clause highlights the opportunity that reviewing MiFID presents for us to look again at the boundary between regulated advice and guidance.

I am proposing personalised guidance on financial matters. As we all know, the implementation of the retail distribution review about a decade ago has meant that financial advice is now a very high-quality service that is very expensive. The vast majority of our constituents do not pay and are not willing to pay for it. Something like 8% of people—I confess that I am one of them—are lucky enough to afford a financial adviser, but 92% of our constituents do not have that luxury.

When I was Economic Secretary in 2015, I launched the financial advice market review, which came up with 28 recommendations to help our constituents. Many wise steps were taken at the time, including enabling people to use £500 from their pension savings to pay for financial advice when using their pension freedoms. Despite those measures, however, there is still an enormous gap for our constituents. For example, about 10 million people in this country are fortunate enough to have more than £10,000 in savings, but 58% of that money is just sitting there in cash, and we all know how inflation is eroding the value of those investments.

My new clause 11 approaches the problem from the other direction. I was pleased to hear the Economic Secretary commit at the Dispatch Box today to using the new flexibilities and seeing whether he can do something like a personalised guidance review with great urgency. That will help our constituents in the following generic examples.

A customer may be saving for a deposit for their first home, but doing so with a cash individual savings account. They could get a nudge from their financial institution to consider putting the money into a lifetime ISA so that they get the Government rebate.

A customer may be sitting on a large cash balance for many months, well above their normal three-month outgoings. They could get an alert to warn them about the detriment to the value of cash as a result of inflation and to narrow down some suggestions for getting a better deal for their cash. With many of our constituents, particularly our elderly constituents, there is a lot of inertia because they are not receiving very much on their deposits. This approach would give them a nudge that there are better rates out there that they could be receiving.

A customer might have invested in a fund on a platform many years ago and have done nothing with it since. If the fund is poorly performing, they could get a nudge with some personalised guidance. A customer who opened a junior ISA, which by definition would have a very long time horizon, might get a nudge that cash was not the ideal investment, and that in his or her circumstances an investment with a longer time horizon might provide better protection from inflation.

3.45 pm

Sir Stephen Timms (East Ham) (Lab): I agree with the case that the hon. Lady is making—indeed, I have signed her new clause. I wonder whether she has seen the report produced by the Work and Pensions Committee in September, which expressed concern about stepping across the advice-guidance boundary and constraining the ability of pension schemes and employers to give people helpful, sensible support as they make their choices about what to do with their pension savings. Would her new clause help in that regard?

Harriett Baldwin: I thank the right hon. Gentleman for signing the new clause, and for his Committee's excellent report. He is right to suggest that the workplace is one of the best places for people to be given these nudges, and for employers to explore that boundary between advice and guidance.

Our constituents are craving advice of this kind, especially during this cost of living crisis. They want more guidance from their financial institutions. They are turning to online sources of often unregulated information to help them navigate their finances. They are finding the process complex and confusing. They are choosing investments that are often very high risk and not suited to them at all, such as meme stocks, crypto or spread betting.

It should not need to be this way, because the technology exists for financial services and fintech firms to guide people towards making better financial choices and following good mainstream investment opportunities, but MiFID-originated legislation is getting in the way. My new clause would enable the Treasury to introduce, with great urgency, the necessary legislation to allow regulated financial services firms to offer UK households personalised guidance. It is a great opportunity to unlock investment in our country, it will help our constituents to earn more, and it will allow innovation. Financial technology will help our constituents to level up their own economic futures. I am therefore delighted that the Economic Secretary has agreed today to look into this as a matter of urgency.

Crispin Blunt (Reigate) (Con): I fully support the proposed measure. Let me say something that is specifically for the ears of my hon. Friend and those on the Treasury Bench. Just is a company in Reigate, formed from a company called Just Retirement and Partnership, which provided products that challenged the existing ones, involving, for instance, equity release and life insurance for smokers. As a provider of challenger products, it was anxious for people to have access to independent advice, rather than just being directed only to its own products.

Harriett Baldwin: Let me end by saying that personalised guidance would offer the Economic Secretary the chance to make his mark and help all our constituents to benefit from better financial information. I am very pleased that he has committed himself today to look into it with the utmost urgency.

John McDonnell: I entirely agree with what the hon. Member for West Worcestershire (Harriett Baldwin) has said, and I apologise for not signing her new clause; I wish I had.

I will be very brief, Madam Deputy Speaker. This is an appeal more than anything else. I am concerned about the way in which the Bill will undermine the constraints on commodity market speculation that were introduced during the financial crash of 2007-08. I was in the House before and during that crash. People remember that it was a banking crash based on the sub-prime housing market, but what is less discussed is what then happened with regard to commodity speculation. The funding shifted from housing to commodity and, in particular, food speculation, and we saw massive food price increases as a result. The price of wheat rose by 168% during that period, and the price of rice doubled. This was largely not to do with supply, which at that time was relatively stable; it was to do with commodity speculation.

We supported, on a cross-party basis, reforms to regulate the market. We gave the FCA the task of setting position limits. We also opened up the whole commodity market to greater transparency. I accept that there has been a watering-down of those regulations since then, particularly by the Trump Administration but also by signals from Ministers in the UK Government. That weakened regulation and weakened culture have opened the door to what is happening now, which is billions shifting into food commodity speculation. This is fuelling the cost of living crisis. It is not just about energy; it is now also about food prices, some of which have gone up by as much as 16%.

Of course, we cannot ignore Ukraine, climate change or the breakdown of supply chains with regard to covid, but another severe factor that is influencing this is commodity market volatility. Speculation is creating price rises, and this is making fortunes for individual speculators, but I have to say that the banks themselves are also making a killing at the moment.

I say this not as some kind of Cassandra—I was the first to raise Northern Rock in this Chamber, although others have claimed that too—but economists on both sides of the Atlantic are saying that this could be a systemic crisis unless we get to grips with it and accept that we need to strengthen, not weaken, regulation. One of the reasons I am concerned is that the Lighthouse report suggests that a lot of commodity investment is taking place by pension funds themselves. That could have an effect not only on prices but on the stability of people's pensions.

The Government will say, “Don’t worry, we’re not scrapping the limits. We’re handing over control to the trading floors.” That is madness in itself. The trading floors have an interest in attracting traders, and the lesson of history is that they cannot be relied upon to regulate themselves. They do not worry about the interests of the whole economy. That is the job of the Government and Parliament. Also, I see no rationale for scrapping the transparency element of MiFID II. I would love to know what possible justification there could be for undermining access to more transparent information, because the markets are already opaque and this would make them worse.

A final comment from me—you will note that I am well under time, Madam Deputy Speaker—is one that I have made before. The best writer on the banking crash of 1929-30 was J. K. Galbraith, who said that, yes, we would put institutions in place to protect against a repeat of that kind of crash but one of the most

significant things would be memory; people would remember what had happened. Unfortunately, I fear that we are now replicating the circumstances of 2007-08 and undermining the very regulations that we as a House put in place to protect against the food speculation, the price increases and, I have to say, the starvation that occurred as a result of that crisis. I never want to see that again. I think this is a mistake by the Government, and I hope that they will think again. I also think we might be able to bring forward some amendments in the other House that will help the Government to move along a more constructive path than the one they are on at the moment.

Chris Grayling (Epsom and Ewell) (Con): I rise to focus on new clause 24, tabled in my name and with the support of a number of Members on both sides of the House. It focuses on one of the great challenges of the moment, which is how we reverse the loss of habitats and forests around the world. Deforestation in South America, Asia and, to an increasing degree, in the northern parts of the world is a real crisis for our planet. It is appropriate that we are having this debate today, the day on which the biodiversity summit begins in Montreal. It is my hope that that summit will lead to a new international agreement on tackling habitat and biodiversity loss around the world.

New clause 24 focuses on taking the battle against illegal deforestation to the next step. This Government and this House took the first important step last year in the passage of the Environment Act 2021, which introduces a requirement for those dealing in potential forest risk products in the United Kingdom to have a due diligence process in place to ensure that they are not sourcing their products from areas of illegally deforested land. That was a substantial and very positive step, and I am pleased to see that the European Union has taken a similar step this week and is perhaps going slightly further in tackling the issue of forest risk products.

But a substantial area that remains untouched both here and in many countries around the world is the question of financial services investing, whether through equities, loans or bonds, in companies that source forest-risk products. We know from the work of organisations such as Global Witness that, over the years, there have been far too many examples of banks knowingly, or sometimes unknowingly, financing the activities of companies that purchase directly from those who are illegally deforesting areas of the Amazon, for example, for beef production or soya production.

We need to extend the work we have already done on forest-risk products, and those who directly deal in them, to the financial services sector and the banks that fund companies that have the potential to participate directly or indirectly, knowingly or unknowingly, in illegal deforestation.

I hope the Government will take this on board, and I am grateful to the shadow Minister, the hon. Member for Hampstead and Kilburn (Tulip Siddiq), for her words of support. New clause 24 would replicate almost exactly what this House has already approved in the Environment Act 2021, translating it into a duty on the financial services sector to carry out similar due diligence to ensure that its work does not support illegal deforestation.

[Chris Grayling]

The reality is that these financial services businesses already do due diligence. No major institution simply lends or invests in a business without doing very careful due diligence on where it is putting its money, on the likely return on that investment and on the likely risks of that investment. New clause 24 would not ask them to do something wholly different from what they are already doing; it would simply require them to extend their due diligence into this area, which most institutions, at a senior level, would say is vital to all of us.

Anthony Browne: My right hon. Friend is making an incredibly important point about an issue I also massively care about, and I totally support the ambition to get some form of regulation in this space. When I was environment editor of *The Observer* and *The Times*, I often wrote about deforestation. There is a real problem with doing due diligence on supply chains, as the loggers in Brazil log illegally but tell their intermediaries that they log legally, so the intermediaries say they are logging legally, and so on. That is all quite difficult to trace. If there is not a robust due diligence system, and many people have struggled on that, my fear is that financial services companies will end up not backing any wood product companies at all, as even the legitimate ones would be seen as a risk.

Chris Grayling: My hon. Friend makes an important point. What makes it possible for big organisations to track their supply chains is the presence of Earth observation data, which many supermarkets now use to understand where they are sourcing from. Interestingly, it is a central part of this week's proposal by the European Union. The data is available, but it is complicated. I recently had a meeting with a major institution that financially supports companies in Brazil, and it said it is incredibly difficult to track, all the way down the supply chain, where products are coming from. Well, it may be incredibly difficult, but it still has to be done.

New clause 24 would place a duty on financial institutions, as we did with retailers, to carry out proper due diligence on their investments, to understand and to be absolutely certain that the companies they deal with have due diligence processes in place themselves, so they know from where they are buying beef, soya or palm oil and so they work properly to ensure they deliver products from sustainable sources in a responsible way.

We hear warm words coming from the executive suites of our major financial institutions all the time about their commitment to sustainability, to net zero and to being responsible citizens. Sometimes they do it, sometimes they do not. There might be the will in head office, but sometimes a local branch does not deliver. New clause 24 would make it a clear duty on those institutions to do due diligence to make sure they know where products are coming from and so they know where investments are being made. This country has been a leader, and new clause 24 would be one further step in dealing with the blight of deforestation, which affects everyone's future.

Siobhain McDonagh: I rise to support new clause 7, which stands in my name and those of dozens of right hon. and hon. Members from all corners of this House.

The amendment is simple: it proposes that the Treasury must not only make provision to guarantee a minimum level of cash access, but ensure that this access is free. Why? Because surely it cannot be right in 2022 that almost a quarter of our cash machines charge people to access their own money.

4 pm

The facts are stark but simple, and may I give particular thanks and praise to Which? for such hard-hitting evidence? The UK has lost more than half of its branch network since 2015—that is 5,013 branches, at a terrifying rate of 54 every month. But money talks, and as they flee the high streets, our free cash machines disappear with them. We have lost 12,599 free-to-use ATMs in the UK since 2018, which is a decrease of nearly 24%—and it is getting worse. Replacing them are paid machines, with almost a quarter of ATMs now charging people to access their own cash. The providers really are in the money. How can that possibly be right at any time, never mind in the heart of a cost of living crisis, where the reliance on cash has soared, with the Post Office handling its highest total on record in August?

This is not just a problem for rural areas. As we have already discussed, in my constituency in south London, Mitcham has seen three bank branches flee our town centre in the last three years. When Barclays left, it swapped a busy branch for a bus that pulled up every now and then outside the empty building. But at least Barclays had the decency to show up to face the music at a public meeting, unlike Halifax, whose pledge to engage with its most vulnerable customers did not quite chime with its no-show at a packed St Mark's church hall. Many of the attendees were from Pollards Hill, a neighbourhood cut off from the London transport network, with residents relying on the small shopping parade for everyday spends. There are two cash machines on the parade, but both charge a fee and are very profitable. That means that residents who are carefully managing a budget and taking out £10 at a time face a 20% premium just to access their own cash. How can that possibly be right or fair? When the Co-op moved into the parade last year, with the expectation of bringing a free-to-use machine with it, a ridiculous clause in its lease prevented it from opening a free ATM. If this is happening in Mitcham and Morden, it is happening in all hon. Members' constituencies.

Success has many parents, and if this new clause is successful today, it will be in no small part thanks to the six Select Committee Chairs, seven members of the Treasury Committee and the dozens of Opposition MPs, from all parties, who have put their names to it. But I recognise the particular importance of the 21 Conservative MPs who have put their heads above the parapet to add their voice on behalf of their constituents. I thank them, because I recognise the importance of working on a cross-party basis when an issue is as uncontroversial as this. I sincerely hope they will bring their view and their colleagues to the voting Lobby later today.

I understand that the Government are considering advising free access in the policy statement, concerned that requiring free access will result in the loss of paid machines. That simply does not make sense.

Anthony Browne *rose*—

Siobhain McDonagh: I am tempted to give way, because I want to debate this, but I am observant of the Chair's ruling on limiting speeches, so I apologise to the hon. Gentleman.

Adding the word “free” into the Bill would not result in the loss of a single paid ATM. It would simply preserve free access for every community, so that no one is obligated to pay for their own money. We have all seen how devastating the impact of bank branch closures can be on our communities, particularly for the elderly, the disabled and the most vulnerable, who are least likely to be able to use online banking and most reliant on access to cash. For them, cash is king. It is why MP after MP has led local campaigns fighting to save bank branches in their town centres, but what is the point of the photo in the local newspaper or the packed public meeting unless the rhetoric is matched by a vote in favour today?

It is time for Members to put their money where their mouth is, to listen to their constituents, to challenge their Whip, and to make a simple, lasting change for the most vulnerable people in their community. It is uncontroversial, tangible, straightforward, no nonsense, common sense and cross party. Free access to cash is, quite simply, bang on the money, and I hope that it will have the support of the House.

Richard Fuller: After such a thoughtful presentation by the hon. Member for Mitcham and Morden (Siobhain McDonagh), I am sure the Minister will consider carefully her entreaties and also the opinions of those on the Conservative Benches.

I congratulate the Minister and his Treasury team on this important and big Bill passing through its Committee stage and maintaining its cross-party support, which is so evident here today.

One of my greatest concerns about the Bill is that we underestimate the importance and the severity of the international competition that our financial services face. We are in a fierce global competition and the balance of risk has to be that the UK will not move fast enough, it will not be smart enough and its moves will not be significant enough to maintain and build the comparative advantage of our financial services sector, which is why I have tabled some of my new clauses. It is also why I am looking forward to hearing what the Minister will say to reassure me in his closing remarks.

We need a Bill, a Government and a country that are pro the financial services sector. That is where the wealth is created in this country. If we do not allow the financial services sector in this country to grow to be globally competitive we are harming the taxes that then pay for all the public services on which our constituents depend. In addition, as my right hon. Friend the Member for Chelmsford (Vicky Ford) has said, and as is the case in my constituency and the constituency of my hon. Friend the Member for North Warwickshire (Craig Tracey), I have many constituents whose incomes are directly related to the success of our financial services sector.

My new clauses put down some requirements on the regulator to get with that spirit behind its new objective of international competitiveness. New clause 12 would make it a requirement to publish regulatory performance information that is material to new authorisations, because

new authorisations mean growth for the United Kingdom's financial services sector. We need a very close focus on how effective the regulators are being on that, and the new clause asks for some general statistics.

New clause 13 talks about how the Financial Conduct Authority and the Prudential Regulation Authority work effectively to support already authorised firms, and is specifically to do with approved persons, rules and timings on change in control, variation of permissions and waivers and modifications. Those are the tools of doing business, and if they are not greased and moving quickly enough, that is a source of competitive disadvantage.

New clause 14 is about determination of applications. It would create a new key performance indicator for the FCA. None of this is a criticism of the two individuals who run the FCA and the PRA. They are doing a fine job, but the FCA has a lot of KPIs, which have nothing to do with how effective it is in building the financial services sector in this country. It needs to rebalance—I know the Minister is supportive of this—and I will talk about that in a minute.

New clause 15 would create a duty for the regulators to report on their competitiveness and growth objectives. For me, this is a crucial new clause, and I would like to hear from the Front Bench today that the Minister will commit to this report. If he could look through some of the specific items in my new clause about what should be included, I would very much appreciate a specific response.

The Minister talked about the proportionality principle, and there is indeed a proportionality principle, but I reworded it, because it was not done in a way that was effective for the success of our financial services sector and made a difference between wholesale and retail financial services firms. I have tabled amendments about the cost-benefit panel, which gets to the root and branch of how Government should work out whether to enact a new regulation: what are the cost and what are the benefits?

I appreciate that the Minister has said that he is excluding people who are direct employees of the regulators from being part of those panels, and it seems a pretty basic principle that people should not mark their own homework. However, we need the voices of those who are being regulated in that cost-benefit analysis—their opinions, their views and their data.

Several hon. Members rose—

Richard Fuller: I am afraid I cannot give way because of your desire to get on, Madam Deputy Speaker, which I completely agree with.

Amendments 1 and 4 bring in the importance of transparency for those two regulators, the FCA and the PRA. We do not want to see regulators going away into a secret room, not telling anyone what the cost-benefit analysis is, and then coming out and saying, “We've decided it is X.” We need true transparency on their deliberations and on the opinions that they have received. I am very specific in those amendments.

The hon. Member for Hampstead and Kilburn (Tulip Siddiq), the shadow spokesperson, who is not in her place, spoke about her concerns about the intervention power, which I think she completely mislabelled as a dangerous thought—I think it is a fairly reasonable

[Richard Fuller]

thought. In her absence, I will just say to those on the Opposition Front Bench that what looks good in an era of declining yield curves and quantitative easing in a democratic country may look differently in an era of rising yields and quantitative tightening.

My amendments are quite specific. The Minister has been supportive throughout the process and I look forward very much to hearing his conclusions in his summing-up.

Sarah Olney (Richmond Park) (LD): The Liberal Democrats recognise the importance of good regulation. Well-designed, effectively administered, properly enforced regulation creates a level playing between competitors and instils confidence in consumers and players in all markets. As the Liberal Democrats' Treasury and business spokesperson, I have spoken to many businesses in many sectors, including in the City, and I have not found anywhere an appetite for the sweeping away of regulations often advocated by Members on the Conservative Benches. Everywhere I hear calls for effective regulation, properly administered.

Andrew Griffith: Would the hon. Lady be able to identify any Member of this House who has talked about the merits of sweeping away regulation? That is not the position of the Government.

Sarah Olney: With respect, I did not say it was the position of the Government, but the Minister cannot deny that it has been advocated for on many occasions during the referendum campaign and on many occasions since. I think he is being disingenuous.

Although the Liberal Democrats welcome some aspects of the Bill that will update the regulatory framework for financial services, we remain concerned by the lack of accountability of the regulators to Parliament and by the potential impact of this Bill on financial stability. The Government have described this Bill as a once-in-a-generation opportunity to reshape financial regulation, but as currently written the Bill lacks ambition and inspiration. In particular, it is a missed opportunity to create a regulatory framework that turbocharges the green agenda and strengthens protections for victims of fraud.

My fundamental concern with the drafting of the Bill is how it undermines the role of Parliament while extending significant new powers to both regulators and the Treasury. As ever, the devil is in the detail, which will be largely hidden within secondary legislation that will not receive parliamentary scrutiny or oversight. Accountability and transparency are the cornerstone of effective regulation. It is vital that those principles are upheld to maintain national and international confidence in the UK's financial services sector and to improve the operational performance of regulators.

The Bill did not previously contain sufficient powers to require the regulators to report on their performance against their objectives. I am therefore pleased that the Government have made some steps towards improving accountability and transparency through the addition of new clause 17. However, the new clause still does not go far enough in establishing parliamentary oversight of the regulators. Regulators' powers are granted by

Parliament, and that is who they should be accountable to—not to a Minister who may only be in place for a matter of weeks.

I remain concerned that the new statutory objective on international competitiveness could increase risk-taking in the financial services sector. We do not need to be reminded of just how damaging that sort of behaviour can be. I am particularly concerned that the secondary objective of competitiveness will negatively impact the regulator's delivery of its primary objective of ensuring financial stability.

Our amendments (a) and (b) to new clause 17 would place additional requirements on the regulators to report on the delivery of their objectives, including with an assessment of the impact of the Bill on financial stability. If the last few months have proved anything, it is that volatility in financial markets has a very real and direct impact on households, so I urge the Government to think about how the Bill can be strengthened to ensure that financial stability remains at the forefront of regulators' activities.

I am pleased to see that a number of amendments on green finance have been tabled, but it is disappointing to see the Conservatives' lack of ambition in that area. We have such an opportunity to be a leading global centre for green finance, but the Bill does nothing to facilitate that. There is an increasing appetite among investors to support the green transition, but British businesses often struggle to access the green capital they need. New clause 33, tabled in my name, would place a requirement on the regulators to report on ways in which they have promoted and incentivised green finance and green investment. Time is running out for us to lead the world on this, and I urge the Government to commit to a green finance strategy and to start thinking seriously about how a regulatory framework can mobilise green finance.

4.15 pm

The final aspect of the Bill that I will talk about is its failure to tackle fraud, of which there is only one mention. Fraud causes enormous financial hardship and distress to businesses and individuals, and the Government are simply not taking it seriously enough. According to figures from UK Finance, less than half the money through bank transfer scams is reimbursed to the victims—in 2021, that equated to just £271 million of £583 million. Clause 64 requires banks to reimburse victims of push payment scams, but it allows the payment services regulator to set the rules on the grounds of reimbursement. We have tabled amendment 7 to close that loophole and ensure that banks cannot refuse to reimburse victims on the grounds that they ought to have known it was a scam. This Government must do more to protect victims of fraud; the onus should not be solely on individuals to protect themselves, because they are being increasingly disempowered.

To conclude, we welcome the Bill in principle, but there are real weaknesses in its drafting—primarily, the lack of parliamentary oversight and the missed opportunities in promoting green finance and tackling fraud.

Sally-Ann Hart (Hastings and Rye) (Con): In 1215, the Magna Carta was written and signed into law by King John I of England. Although that important document did not guarantee freedom of speech, it was

considered the cornerstone of liberty in England and began a tradition of civil rights in Britain that laid the foundations for our first Bill of Rights of 1689, which granted freedom of speech in Parliament.

That was the first time in history that any form of freedom of speech was codified in law. It was extremely influential throughout the western world, leading to the declaration of the rights of man in 1789—a fundamental document of the French revolution that provided for freedom of speech—and the US Bill of Rights in 1791. In 1948, the universal declaration of human rights was adopted virtually unanimously by the UN General Assembly, and urged member nations

“to promote a number of human, civil, economic, and social rights”,

including freedom of expression. Under article 10 of the Human Rights Act 1998,

“Everyone has the right to freedom of expression...subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society”.

Criminalising the incitement of violence or threats, for example, is widely considered a justifiable limit on freedom of expression.

What we cannot have are global tech firms, online payment services, banks and others deciding who they can censor because they do not like or are offended by the views of others. It is essential to have freedom of expression—it is essential to society—and we have to be able to express and discuss differing ideas and ideals to ensure that we have a full and therefore better understanding of the challenges we all face in this modern world.

Freedom of expression in the UK is under threat and must be protected. New clause 27 protects free speech and the exercise of free expression. It seeks to prohibit service refusal by financial service providers on grounds relating to lawful exercise of free expression by requiring providers to explain the reason for a refusal of service, allowing the Financial Conduct Authority to intervene, and creating a civil law remedy for affected customers. We should not allow a system where payment service providers or even high street banks can terminate the accounts of individuals or organisations on the basis of lawful speech if adequate notice is given. Britain has led the world for centuries on democracy and freedom of speech, and it needs to do so again against the global tech companies that want to impose their view of the world and stifle free speech.

Members may remember in early September media agitation surrounding PayPal’s decision to cancel the online payment accounts of the Daily Sceptic, the Free Speech Union and an individual’s personal accounts. Many of us here may not agree with the politics of these organisations or that individual, but it is fundamentally wrong that online payment accounts can be exited because the payment service provider or its staff do not agree with the opinions of the service user. We are not talking about hate speech, terrorism or crime—we have legislation to deal with that; we are talking about lawful speech.

The relatively recent digitalisation of financial transactions has placed an unprecedented amount of power in the hands of online payment service providers such as PayPal, as well as banks, credit companies and online platforms. UK legislation must keep pace with these rapid technological changes and financial censorship

must be prevented. As we switch to an increasingly cashless society, we must put in legislation to protect people from being punished by payment processors for expressing legal, but different views, no matter our politics.

New clause 27 is designed to ensure that the regulator has the ability to ensure that financial service providers cannot withdraw or withhold service from a customer on political grounds. The battle to preserve free speech in our society is something we must all fight for. Rising political polarisation is contributing to the threat to our freedom of expression, and the alternative—placing power in the hands of the easily offended—cannot be an option. This issue has to be of grave concern to us all, whatever our politics. I am grateful to the Minister for his assurances earlier, spelling out what he is going to do and his commitment to take this matter further. There are plenty of colleagues who will hold him to that.

Nick Smith (Blaenau Gwent) (Lab): I rise in support of new clause 10, and I am pleased to have worked alongside the hon. Member for The Cotswolds (Sir Geoffrey Clifton-Brown) on it, as fellow members of the Public Accounts Committee. Since 2017, I have worked with others supporting steelworker pensioners across Blaenau Gwent and the United Kingdom. Thousands of them fell victim to financial sharks. They were wrongly advised to move out of their defined benefit British Steel pension scheme. It took until last Monday, five years later, for the Financial Conduct Authority to announce a redress scheme. It was about time. The FCA righted those wrongs, but I think too late.

Early on in the campaign, I remember meeting the then chief executive of the FCA, now the Governor of the Bank of England, Andrew Bailey, where I was met with a lacklustre response. Along with my hon. Friend the Member for Aberavon (Stephen Kinnock) and other campaigners, I continued to press the FCA. In 2020, I wrote to its newly appointed chief executive, however Mr Rathi did not want to meet. He asked one of his directors to meet us instead.

Later, in 2021, frustrated with the FCA giving us the cold shoulder, I wrote to the Comptroller and Auditor General of the National Audit Office. I asked if it would please investigate the FCA’s oversight of this terrible scandal. Fair do’s, the NAO did that, and it published its full report in March this year. It observed that in the summer of 2017:

“The FCA had limited insight into...what was happening in the BSPS at the time of its restructure.”

There were terrible things going on.

Even more damning were the conclusions of the Public Accounts Committee. We found that:

“The FCA failed to take swift and effective action at all stages of the BSPS case.”

It failed

“to prevent consumers from being harmed”,

which makes clear the

“limitations with the FCA’s supervisory approach”.

The point is that the FCA took proper notice of this injustice only when Parliament, through the NAO and eventually the Public Accounts Committee, dug deep to investigate.

[Nick Smith]

Of course, the BPS case is not the only example of the FCA's failure to protect consumers in recent years; I have heard many complaints from Members across the House. The scandals surrounding Blackmore Bond, Dolphin and Azure come to mind. Consumers are our financial sector. As long as the FCA fails to exercise its powers to protect ordinary workers, it will continue to fail our constituents. New clause 10 would require the FCA's consumer panel to lay an official report before Parliament. We could then judge whether the regulator is fulfilling its duty to protect consumers.

During my 12 years in this House, I have learned many things, but one thing stands out: parliamentary scrutiny matters. I am pleased to have support from across the House for the new clause—from our Labour Treasury team, senior Conservative Members, the Liberal Democrat spokesperson, Treasury Committee members, other colleagues and fellow members of the Public Accounts Committee. By supporting our new clause, Britain's consumers could be better heard, and our financial services sector would be all the better for it.

David Mundell: I apologise in advance to you, Madam Deputy Speaker, to the Minister, and to the hon. Member for Mitcham and Morden (Siobhain McDonagh), who tabled new clause 7, as I may not be able to be present at the conclusion of the debate, but I wanted to speak on the issue, having campaigned on it since I returned to the Back Benches, principally with my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard). I am very pleased with what is proposed overall in the Bill, because during the period of covid it became clear that the system of use of cash could have collapsed. It was incoherent in the way it was managed and regulated, and we saw the potential pressures of not using cash or its usage not being permitted.

I am disappointed that my right hon. Friend the Member for North West Hampshire (Kit Malthouse) has left the Chamber, because I could not disagree more with the points that he made in interventions. We cannot simply move in an unstructured way to a cashless society. We are not ready for that. As I pointed out in an intervention, about 8 million people, whether they are rural dwellers or those living in deprived areas, rely on cash and will continue to do so. I declare that I still have a chequebook, because there are circumstances, particularly when dealing with small voluntary organisations, where a cheque is accepted. Cheques may be on the way out, but there are still circumstances where they are required. Therefore, we have to move forward at the pace of the slowest in our society.

I believe that the prospect of regulation has been very positive, in terms of forcing the banks and others in the sector to become a lot more constructive in the debates and discussions. As the hon. Member for Mitcham and Morden mentioned, the banks have been pretty disingenuous over the period. I have had many closures in my constituency, and they have often been made with undertakings that certain things would happen. For example, in the community of Lochmaben, the branch closed and the free auto-teller was to remain; now it is to be removed, two or three years on. Often the promises given are not worth very much, but I am sure that the

threat of legislation, and hearing the Minister say that the Government's position is a commitment to free access to cash, will ensure that the industry stays on board and delivers for people.

As has been set out, there has been a significant drop in the number not only of bank branches but of free-to-access ATMs, while the number of ATMs that require a fee has risen. As the Minister would expect from our lively discussion, I am in favour of consumer choice—if people want to pay for convenience, that is fine by me—but they should not have to pay several pounds to withdraw £10 from an ATM. At the core of this issue is the fact that many transactions are small transactions, not the ones that we might think of that are made of larger cash sums, which is why we have to stick to the free-to-access commitment.

4.30 pm

There are two points that I would like the Minister to address, as I asked him to do when we met. First, the FCA should have an overview of the ability to use cash. There are many anecdotes about whether cash can be used in particular circumstances, but we need to know the facts about the current reality of locations where people can and cannot use cash, and the FCA should have a role in that. Secondly, I would like more detail about what the geographic requirement will be for people to have an ability to access cash. I have one of the largest constituencies in the United Kingdom—indeed, it is larger than any constituency in England or Wales—and its needs are clearly different from central London. We need to get that right.

We also need to get the situation right with the post office. In the earlier statement, I was pleased to hear my hon. Friend the Member for North Norfolk (Duncan Baker) highlight the fact that it is not working in the way that we would want and it is not an attractive prospect for many businesses. In my constituency, when a post office is cited as being close by, that often means a small van going to a community for two hours a week; it does not mean that there is a post office in that community.

Madam Deputy Speaker (Dame Rosie Winterton): If there are any other right hon. or hon. Members who cannot stay for the wind-ups, they should let me know. I was not aware that the right hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) could not stay. It is important that people stay, so I would not necessarily have called him.

Emma Hardy: I rise to speak to new clauses 22, 23 and 29 and amendments 19, 21 and 22 in my name, which are all about financial inclusion. I thank Martin Coppack from Fair By Design, the Phoenix Group and Mastercard for meeting me earlier this week to talk about why they support financial inclusion.

When we think of financial inclusion, we tend to think of the consumer groups that support it, such as Citizens Advice, and it is not widely known that it is supported by FTSE 100 companies such as the Phoenix Group, Mastercard and Legal & General. When I asked why they support it, they said that since we left the EU, regulators are more powerful than ever before. Of course, I do not believe that the Government should have the call-in powers that were debated earlier. That huge

transfer of powers to the regulator means that it becomes even more crucial for Parliament to set the correct objectives; we have to get the objectives right if we are to allow our regulators to function effectively in the post-Brexit world.

There was a rumour that the Government were keen to push back on any additional objectives for the regulators. Apparently, they compared it with the national curriculum, where everybody wants to get their bit in, and perhaps in the same way, everybody wants their bit to be a new objective for the regulators. But even if that is the case—clearly, there is a demand for the regulators to have many new objectives and for objectives to be strengthened—that does not mean that we are incorrect, because financial inclusion is important. Ensuring that the FCA has regard to financial inclusion turns it from a nice to have to something that we must have. It would embed financial inclusion in the design of financial services and products forever.

When I met people from Mastercard and they were talking to me about future innovations in financial services, fintech and the way financial services are developing new products, they said that at the moment financial inclusion is seen as an add-on, in that they develop a product, and financial inclusion is fitted into it by asking, “Well, how can we make this financially inclusive?” Those from Mastercard told me that they want financial inclusion to be there from the beginning, so that when new products are designed and created, it is given primacy, and is there throughout the whole design.

Without financial inclusion, constituents will continue to face what is called the poverty premium. I have spoken before about the poverty premium, which is basically the additional cost of being poor, and it explains why it is so expensive to have such a low income. In Kingston upon Hull West and Hessle, the poverty premium works out at £459 per household, which is nearly £6 million paid in extra costs by my constituents just because they happen to come from lower-income families. This is all calculated by Fair By Design.

For too long, the idea of financial inclusion has been a hot potato passed between the FCA, the Treasury and other regulators and Departments, with nobody prepared to take ultimate responsibility. For example, the Competition and Markets Authority started to carry out investigatory work on the poverty premium across essential services, but in the end determined it was too difficult, and it now signposts organisations to sector regulators such as the FCA. However, the sector regulators say that this is not their responsibility, as it involves elements of social policy and pricing of risk—and so we go on.

We are asking the FCA to collate the information needed to really look at and analyse the poverty premium. Of course, as we expected, the FCA says it does not want another objective. I think we probably understand why it does not want to be given any additional work to do, but it is our job as Parliament to set and establish the types of financial services we want, and to ask what our principles are as parliamentarians, what things we care about and what we want our future financial services to look like. Surely Members across the House would agree that having a financially inclusive sector or financially inclusive products that cater for people right across the population of the UK, not merely the most profitable ones, is a good thing.

When I was talking to people from Mastercard and Phoenix about this, they said that financial inclusion could open up new markets for them among those who would be interested in their products, if they were designed in an effective way. My new clauses and amendments ask the FCA to have regard to financial inclusion, and would place a duty on the FCA to report to Parliament annually on how well it is doing with financial inclusion and giving that information back to us. The proposals would end the current damaging situation by placing a clear remit on the regulator to ensure it routinely and properly explores financial inclusion issues across its work, allowing greater clarity on unintended consequences and the best interventions needed to ensure financial inclusion, as well as who is best placed to act.

The Government could save my constituents in Kingston upon Hull West and Hessle nearly £6 million, and it would not cost them a penny. Surely that, if nothing else, means that the Government should look more favourably at the amendments I have tabled.

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): I am grateful to catch your eye, Madam Deputy Speaker.

I congratulate the hon. Member for Blaenau Gwent (Nick Smith) on tabling new clause 10, for which he should receive much of the credit. This amendment has an extremely simple intent in laying a duty on the FCA to report to Parliament on

“(a) the adequacy and appropriateness of the FCA’s use of its regulatory powers; (b) the measures the FCA has taken to protect vulnerable consumers, including pensioners, people with disabilities, and people receiving forms of income support; and”—

finally and most importantly—

“(c) the FCA’s receptiveness to the recommendations of the Consumer Panel.”

I will now say why paragraph (c), in particular, is so important. The hon. Member has explained clearly why the FCA should regularly report to Parliament, and in my role as deputy Chairman of the Public Accounts Committee, I have constantly urged openness and transparency, wherever possible, so that our constituents can make full and proper judgments on the actions, or lack of them, of regulators such as the FCA.

Like the hon. Member for Blaenau Gwent, I will give the House an example. The PAC inquiry that we held in April and June this year highlighted the plight of some 2,000 of the 7,700 British Steel pensioners who in 2019 suffered significant financial shortfalls because of the wrong advice given by a significant number of independent financial advisers who advised pensioners to opt out of their valuable defined-benefit pension schemes. To add further insult to injury, the actions by the regulator caused a number of independent financial adviser companies to go out of business or merge with others, and therefore the compensation that pensioners received rightly was capped. I know this is a complicated subject but both the hon. Member and I are using it as an egregious example of why the FCA needs to be more accountable to Parliament and our constituents. This amendment stems from recommendations 5a and 5b in the PAC report “Investigation into the British Steel Pension Scheme”, published on 21 July:

“The FCA should be more proactive and consumer-focused in its engagement with stakeholders. It should have a better mechanism for responding to consumer harms and collect more evidence on a regular basis to pick up on issues that are being raised, especially

[Sir Geoffrey Clifton-Brown]

from emerging risks in financial markets...The FCA must also review how effective the Financial Services Consumer Panel is at consumer protection and how it influences policy debates within the FCA from a consumer angle.”

The hon. Member and I have had discussions with the Economic Secretary, who is on the Front Bench today, and I believe he is sympathetic to the principle that the FCA needs to be much more accountable. If that is the case, I very much hope that he will concede the principle of this amendment and incorporate it as a Government amendment in the other place. Neither the hon. Member nor I wish to be prescriptive about how or when this reporting should take place to Parliament; that is a matter for the Government.

No financial institution will ultimately exist without its consumers. The whole point of the FCA as a regulatory authority is to protect their interests. Rather than having to work through long and complicated reports, there needs to be clear, easily available information on what regulators are doing, or not doing, on their behalf. All of this requires a fundamental shift in the regulator’s—the FCA’s—attitude to the consumer and a commitment to engage more when things go wrong.

Finally, I want to comment on the fraud aspects of the Bill. The PAC recently conducted an inquiry on fraud and discovered that 41% of all reported crime in June was accounted for by fraud, up from 30% in 2017, yet just 1% of police resources is being devoted to fraud crimes. So we urgently need to see the Government’s new comprehensive fraud strategy.

Stella Creasy: I rise to add my wholehearted support to the comments of my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy), to new clause 7, to my Front Bench, and indeed to the points made by the hon. Member for The Cotswolds (Sir Geoffrey Clifton-Brown): many of us have had concerns about the FCA and its ability to represent consumers for many years, and it is good to see that work being done.

I shall focus on new clause 28. The bridge of the Titanic received seven warnings about icebergs. It was told exactly where the iceberg was, but on hearing those warnings it varied the direction of travel by one or two degrees yet kept going full steam ahead. The visible iceberg was 50 to 100 feet high and 200 to 400 feet long, yet still they ploughed into it. It does not take a rocket scientist to recognise that we have a personal debt crisis in this country with a cost of living crisis, that our constituents are struggling because there is too much month at the end of their money, and that those who make their money from those who are struggling are licking their lips.

This Bill is about financial regulation yet one of the most pernicious legal loan sharks is the buy now, pay later industry. The pool in which they fish is wide. This country has £205 billion-worth of consumer credit lending to account for, up £482 million on the previous month. People are borrowing not just to pay Peter and Paul, but to pay for their mortgages, to put food on their table, petrol in their car and clothes on their children’s backs. Let me be clear: I do not stand here with a hair shirt on saying nobody should borrow, but in that environment, when our constituents are being exploited

by these companies, it is absolutely right to regulate them and protect our constituents, yet that is not what is happening here.

For nearly three years we have been warning the Government on the need to act on legal loans harks and the buy now, pay later companies—those warnings that came to the bridge of the Titanic. The Klarnas, the Laybuys and the Clearpays are the companies whose names we see when we go to check out online. They account for 6% of all online spending in the UK, and that is expected to double in the next two years. High thousands of reputable retailers have them on their websites. They have them not to help people to spread their payments as the companies claim, but because people spend on average 30% to 40% more if they use buy now, pay later.

But what people are telling us very clearly is that they are spending money they do not have. A quarter of all buy now, pay later users have been unable to pay for at least one essential because they are having to make repayments on buy now, pay later products. Some 25% of users have also missed a payment or made a late payment on a buy now, pay later loan in the last 12 months.

4.45 pm

In the three years we have been warning, urging, holding votes in this place and begging the Government to regulate those companies, the companies have exploded their interest across the UK. Companies such as Klarna are now worth billions of pounds because they can exploit our constituents. Two and a half years ago, the FCA said, “Yes, we should regulate these companies.” They exploit a loophole. Officially they do not charge interest, so they are not regulated by consumer credit.

What does that mean in practice? It does not just mean that right now our constituents are better protected if they take out a payday loan; it means they have nobody to complain to. They cannot go to the ombudsman if they feel they have been mis-sold this type of credit, and many constituents and consumers are saying they are being mis-sold. They did not realise that they had used buy now, pay later because it is so pervasive on websites. It means that consumers are dependent on the companies themselves, because they are not regulated, to do their own affordability checks, which is literally like asking turkeys whether they think Christmas is a good idea. It also means that when consumers get into debt they can only turn to these companies again for help.

For retailers, this is where the money is being made: the 30% to 40% extra that people are spending that they do not have. It is worth recognising who is using these companies. This is not about fast fashion anymore. People are buying food using buy now, pay later. The average age of users is my age, 44—I am actually 45, but there you go. One in 10 people using the service are buying basic items such as toiletries and food. We can now get Klarna on Deliveroo and Zilch on the Domino’s Pizza app.

For years, we have been forwarding proposals to regulate and the Government have accepted proposals to regulate, yet regulation has not come. We have had consultation after consultation. Indeed, the companies themselves now say they think they should be regulated. They all say, as they do, “It’s the others who are the bad

apples. We're not the bad guys; it's somebody else." Where have we heard that before? Where have we seen this behaviour before—dragging people into debt so they keep having to borrow from you because they cannot go to anyone else? We have seen that from the Wongas, the BrightHouses and the Amigo Loans of this world. Time and again, high-cost credit companies have plagued our constituents and we have been too slow to tackle them. Why have we been too slow? Because of the idea about unintended consequences.

The iceberg is looming. We can see it in the water. We can already see the numbers of people who are getting into debt. This time last year, StepChange reported that 10% of all adults were holding one or more buy now, pay later debts. A survey out today says that 40% of our constituents will put their Christmas spending on buy now, pay later. To wait another year is unforgivable in a cost of living crisis. New clause 28 would bring in the protection of the ombudsman, so that at the very least when people come to our constituency surgeries there is somebody who can take up their case.

The Minister ignored my question before, using time as the reason why. He has to do better than that. We have to understand what is being done to urgently tackle the damage that these companies have done. I can tell him that I heard all these stories before in relation to legal loan sharks, and we still have thousands of people in debt because of Wonga. Let us not make the same mistakes again. Let us regulate the buy now, pay later lenders and make sure that this Christmas does not turn into a terrible January for all our constituents.

Miriam Cates (Penistone and Stocksbridge) (Con): I rise to speak in support of new clause 27, tabled by my hon. Friend the Member for Hastings and Rye (Sally-Ann Hart). As she said, it would prohibit payment service providers from refusing to supply a customer based on the customer exercising their lawful right to freedom of expression.

On 15 September, PayPal notified the Free Speech Union that it had closed its account with immediate effect. The reason given was that the Free Speech Union had breached the company's acceptable use policy, but no further information was forthcoming. The accounts of UsForThem, the *Daily Sceptic* and the journalist Toby Young were also terminated. It is still not entirely clear why PayPal closed the accounts, but the apparently common theme among those organisations and individuals is that they have each become prominent champions of free speech, expressing critical, non-conforming opinions and asking challenging questions.

The effect of PayPal's decision was to temporarily disrupt the ability of those organisations to operate. In some cases, their accounts were frozen, thereby denying them access to their funds. In the light of that, 42 peers and MPs wrote to the then Business Secretary, my right hon. Friend the Member for North East Somerset (Mr Rees-Mogg), and to the Minister currently on the Front Bench. PayPal then restored the accounts of UsForThem and the Free Speech Union. Although PayPal's actions may seem unjustifiable, payment providers and high street banks may terminate the accounts of groups on the basis of lawful speech, so long as adequate notice is given. As the law stands, the only thing that PayPal did wrong was not to give sufficient notice of the closure.

Sadly, the actions of PayPal in September were not a one-off. It also closed the accounts of the UK Medical Freedom Alliance and Law or Fiction, both of which are opposed to lockdowns, and it has not reopened either of them. It is therefore hard to avoid interpreting PayPal's actions as an orchestrated, politically motivated move to restrict certain views within the UK. This is unacceptable.

In an increasingly cashless society—we have heard a lot about the merits of cash today—access to a digital payment system is not a luxury, but a basic requirement for participation in society. No campaigning organisation can function without the ability to perform financial transactions. Imagine if the suffragettes had not been allowed to have or use cash, or if those campaigning for Brexit had been refused a bank account. Freedom of speech and freedom of expression are foundational to democracy, and there can be no meaningful freedom of expression without the ability to conduct financial transactions.

It is of course right that in the UK private companies can choose which customers they do and do not want to do business with, but this is based on the assumption that there is a functional marketplace with healthy competition and that companies are regulated by, and compliant with, UK law and regulations. PayPal is eight times larger than its nearest competitor. It is a Californian company with its European headquarters in Luxembourg. Are we happy to delegate important powers relating to freedom of speech and expression to unaccountable global tech firms?

Of course, unlike socialists, conservatives want markets to operate freely, without unnecessary bureaucracy and state control. But as conservatives, unlike liberals or libertarians, we understand that there must be limits to this freedom, because without limits, human beings and organisations will sometimes—perhaps often—put their own interests before the best interests of customers and societies. As UK national conservatives, we believe that the proper bodies to set the bounds of free speech and political opinions in the UK are the UK Parliament and UK courts. That is why we must act to legally prevent payment providers from closing accounts on the basis of political beliefs, because if we do not, big global companies will put their own interests—financial, reputational and political—before any moral duty to act fairly.

The principle of using law to protect free speech is well established. The Equality Act 2010 prohibits discrimination on the grounds of religious or philosophical beliefs, but this protects individuals, not organisations, which is why it cannot be used in this case. The Government are also acting to protect free speech in universities, and the Higher Education (Freedom of Speech) Bill is today making its passage through the other place.

The PayPal saga identified a gap in our free speech protection that must be filled with appropriate legislation, which is why I support new clause 27. I thank the Minister for his engagement on this issue, which I know he takes very seriously—I was delighted by his opening remarks and commitment to work further on it. I very much hope that, following the evidence that he will gather, he will legislate if it is appropriate to do so. I appreciate his assurances on that.

I want to finish with a recent example of what happens when free speech is threatened. I know we do not want to think back to covid, but we had lockdowns and

[*Miriam Cates*]

school closures. In fact, UK schools were closed for longer than those in almost any other country in Europe, and our children missed more face-to-face learning than those in any country other than Italy. The effects on children have been absolutely horrendous and will last a generation. They include lost learning, an increase in eating disorders, self-harm, a loss of socialisation, exposure to domestic violence—I could go on and on. [Interruption.] But I will not, because you are clearly telling me not to, Madam Deputy Speaker.

The Government now say that doing that was a mistake and that there was not sufficient evidence, but one reason that schools were reopened and children were eventually protected was the effective campaigning of the group *UsForThem*, which—unlike so many—stood up for children and their welfare. Its views were unpopular and it was said to be spreading misinformation. Imagine if its bank account had been cancelled two years ago—where we would be now? We need this protection. I appreciate the Minister's commitment and I look forward to working with him further.

Olivia Blake: The Bill is important because it presents an opportunity to set out a new, responsible and green vision for the City and financial services, but the Government are squandering that opportunity. That is why I rise to speak in support of amendments that would enshrine climate protections and harness the power of the City to act as a force for people and planet.

Let us look at the resources in that sector. Globally, privately invested financial assets are expected to reach \$145.4 trillion by 2025—a 250% growth in less than 20 years. In the UK, pension assets amount to a staggering £2.7 trillion. The financial challenge for decarbonising the economy is significant. The UN has estimated that, globally, we require £90 trillion of infrastructure investment by 2030 alone. In the UK, private investment in carbon-cutting activities needs to grow by an extra £140 billion over the next five years to reach our net zero goals. We should mobilise the huge resources in the finance system to meet the existential challenge of the climate crisis. Instead, financial institutions are adding fuel to the fire, as I mentioned.

Britain is a financial giant and is the biggest net exporter of financial services in the world. I support new clause 6, tabled by my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq), because we need a strategy for how we use that influence to reshape the system in accordance with climate priorities. However, those climate priorities are not the priorities in the Bill. Rather than making it a statutory aim of regulators to ensure compliance with our net zero aims and protect our natural environment, the Bill makes the main aim of regulation growth and competitiveness in the sector. In fact, although it is supposed to represent the Government's vision for the future of financial services, it does not mention “nature” once. That is why I support new clause 25, which aims not for growth and competitiveness on its own, but for a regulatory regime designed for long-term economic resilience, climate safety and nature restoration.

The science is clear: complying with our net zero and Paris agreement obligations means keeping dirty fossil fuels in the ground, so we should encourage divestment

in fossil fuels and put an end to fossil fuel extraction. New clauses 21 and 26 have my full support because they rightly restrict and provide disincentives for that kind of harmful investment. We need not only to incentivise fossil fuel divestment, but to ensure that investors make demands of companies on climate action.

I tabled new clauses 8 and 9 because we need to raise the bar on stewardship rules, putting ethical engagement with companies on the climate crisis and much more at the heart of investor activity. I support amendments 23 to 27 because they would reinstate the position limit rules on the kinds of awful things that we have seen relating to speculating on food and betting on hunger. We should stand firmly against that, especially given global heating.

I will finish by saying a few words about fraud. My constituents have been frustrated by the lack of accountability in the financial services sector. Some fraud victims are passed from pillar to post in trying to access justice, so I welcome new clause 1, which tasks the Government with creating a national strategy on preventing fraud. Although these will not be pressed to a separate vote, I draw the House's attention to my new clause 26 and my amendment 20, which make clear the responsibility for reporting fraud and compensating victims. I also express my support for new clause 2, which would ensure that everyone has access to essential in-person banking services.

We need financial services that work for people and planet. As the clock ticks on climate action, now is the time to pull every lever and seize every opportunity to decarbonise our economy and society. However, the Bill has presented us with more of the same agenda—deregulation and lip service to climate goals. As the slogan goes, we need “system change not climate change.” I am afraid that without significant changes, the Bill will deliver the opposite.

Craig Tracey (North Warwickshire) (Con): I declare an interest as chair of the insurance and financial services all-party parliamentary group. I welcome the Bill as a great opportunity to cement the UK's position as a leading market for financial services.

The London insurance market alone is bigger than all its competitors combined. That is great news, but it also means that it is a target and that it has the most to lose, so it is really important that we get this key legislation right. I thank the Minister for his engagement at earlier stages; I know he is keen to make the Bill a big success, as I am, and I really appreciate the conversations that we have had.

5 pm

I will focus today on the competitiveness duty, for which I have been campaigning for a number of years. It is great to see it coming forward. I echo much of the speech of my right hon. Friend the Member for Chelmsford (Vicky Ford), who used the example of insurance-led securities to set out why the Bill matters, and why it matters that we get it right.

For the Bill to be meaningful and to deliver what I and the Minister want to achieve, I still think it needs to set out definite KPIs and metrics. Members of the Public Bill Committee will remember that I tabled several new clauses designed to add certainty, both for

firms and for the regulator. The Minister agreed to meet me and look in more detail at what could be done, so I did not press my new clauses to a vote.

Off the back of my new clauses, the Government have now tabled new clause 17, which is welcome inasmuch as it demonstrates their clear recognition of the need to improve the regulatory culture. However, I do not think that it goes far enough in setting out the expectations that Parliament and Government have of the regulator.

I am therefore pleased to be a co-signatory of new clauses 12 to 16 and amendments 1 to 6, which my hon. Friend the Member for North East Bedfordshire (Richard Fuller) has tabled and which I urge the Minister to consider. The most important of them, as my hon. Friend articulated, is new clause 15, which sets out some sensible metrics for the regulators to include in their reports:

“steps taken to simplify regulatory rulebooks and frameworks...the number of new market entrants to the UK...comparative analysis of the number of new authorisations in the UK and other international jurisdictions...comparative analysis of product and service innovations introduced in the UK and other international jurisdictions”.

I ask the Minister to consider adopting the metrics in new clause 15 to address the gaps in the Bill that are worrying me. I know that my worries are shared by the industry itself: it has never been frightened of regulation, but that regulation needs to be right if we are to get the full aims of the Bill across the line.

If the Minister is unable to give such a commitment in winding up today, will he commit instead to providing some kind of statutory guidance to address concerns about new clause 17, such as how the Government will decide the criteria for requesting a report and whether they will seek input from the industry or Parliament? Will he ensure that the regulators provide a comparative analysis of performance against key competitors, including for product and service innovations? What do the Government consider “reasonably necessary” as a trigger for a report? How can we ensure that the regulators provide info of sufficient quality to be meaningful? Finally, do the Government consider the impact on regulators’ reputation of a poor report on its regulatory performance to constitute an adverse effect?

I appreciate that I have thrown quite a lot at the Minister with not long to go in the debate, but I would appreciate it if he addressed some of my questions or wrote to me after the debate. Just by adopting new clause 15, he could take away some of the uncertainty. I welcome and appreciate the Bill—there is much in it that we can welcome—and I thank the Minister for his time.

Caroline Lucas: This Bill should be a once-in-a-generation opportunity to ensure a rapid, stable, co-ordinated and just transition to a low-carbon economy, to advance financial inclusion and to protect consumers, investors, banks, asset managers and other financial institutions against the catastrophic financial risks associated with climate and nature breakdown. Sadly, I believe that it fails to deliver on all those counts, and many others too.

I have signed a number of new clauses with the aim of improving the Bill, on matters such as free access to cash and better regulation of buy now, pay later credit. I also strongly support the new clauses tabled by the hon.

Member for Sheffield, Hallam (Olivia Blake). However, I want to use my speaking time to focus on three new clauses in my name.

New clause 25 goes to the heart of what the Bill is about. It seeks to reposition the objectives of the regulator so that they are consistent with the future that we are facing. It would change the strategic objective so that it is no longer simply about ensuring that the relevant markets function well, but about ensuring that they deliver long-term economic resilience and prosperity. It would also create two new operational objectives. The first is a climate objective to facilitate the meeting of targets set out in the Climate Change Act 2008 and the 1.5°C temperature rise limit of the Paris agreement. The second is a nature objective, to facilitate alignment with the Government’s commitment to halting and reversing biodiversity loss by 2030.

Those changes matter on a great many levels. Most obviously, as the United Nations Secretary-General warned just last month:

“We are in the fight of our lives and we are losing...And our planet is fast approaching tipping points that will make climate chaos irreversible.

We are on a highway to climate hell with our foot on the accelerator.”

We therefore need to deploy every tool at our disposal to the task of creating an economy that reflects this new reality. There is no greater moral imperative, or indeed any greater financial imperative.

The Bank of England’s first climate stress test was published in May. It sought to understand how climate change would affect banks’ business models, and whether they held enough capital to cover climate-related risks. The results were clear: banks need to take climate action immediately, or face a hit to annual profits of up to 15%. If the net zero transition is delayed by a decade and global temperatures reach 1.8°, by 2050 banks will face losses of £225 billion. However, the banks are not alone in being exposed to huge climate risks. Investors, consumers, anyone with a pension, asset managers, savers, mortgage holders and other financial institutions are all threatened.

The Bill should provide an opportunity to meet those challenges and lay the foundations for a secure and stable future-facing economy, but I believe that without my new clauses, it simply does not do that. Leading financial institutions agree, including Aviva Investors, Phoenix, Hargreaves Lansdown and BUPA Insurance. They raised concerns with the Bill Committee, saying that

“the proposed regulatory principle will not provide a sufficiently strong legal basis for regulators to promote a thriving net zero financial sector. It certainly won’t encourage the regulators to ensure that the UK becomes the world’s leading green financial centre.”

Moreover, as it stands, nothing in the Bill acknowledges the crucial role of nature, although the Economic Secretary himself recognised in Committee that we could not achieve our climate goals without recognising and acknowledging that vital role.

New clause 25 would go further and remove the proposed competitiveness and growth operational objective for the FCA. The financial impacts of pursuing a climate-busting competitiveness and “growth at all costs” approach over climate action is clear. For example, it is estimated that the UK will lose 10% of GDP by 2050 if

[Caroline Lucas]

we do not tackle climate change, and that Europe will see a 30% rise in defaults on corporate loans to the most exposed companies. No wonder the Treasury Committee advised against a primary focus on competitiveness, warning that it could lead to weakening standards and a reduction in the UK's financial resilience, and could undermine the reputation of the UK's finance sector.

It is worth recalling that Parliament itself deliberately removed competitiveness from the mandate of the financial regulator just a decade ago, learning the lessons from the regulatory failure leading up to the global financial crisis of 2007-08, which saw millions lose their savings, homes, businesses and jobs. With so much at stake, I can think of no good reason why the Government is making such a reckless move, and no good reason why it could not instead support a focus on the creation of a wellbeing economy designed to foster long-term economic resilience and prosperity.

I have also tabled new clause 21, which mandates the introduction of a one-for-one capital requirement for the financing of new fossil fuels. In other words, for each pound that finances fossil fuels, financial institutions should have a pound of their own funds held liable for potential losses. It is a principle that is used elsewhere. In June 2021, for example, the Basel Committee on Banking Supervision—the global standard setter for the regulation of banks—recommended its application to some cryptocurrencies' exposures. At present, however, the Government are not seizing these opportunities.

Even with no fossil fuel expansion, by 2025 global emissions from existing projects will be 22% too high to stay below 1.5° and 66% too high by 2030—all while the scientific reality makes it clear that fossil fuels assets are uneconomic and financially uncompetitive in a 1.5° or 2° world. Fossil fuel financing increasingly threatens economic stability. It increases the physical risks of climate change, thereby leaving the financial system exposed to significant losses from balance sheets and from environmental damage to the wider economy. That is why these amendments are so important and that is why we should get fossil fuels out of our financial sector now.

Danny Kruger (Devizes) (Con): I am going to speak briefly to new clause 7 on access to cash, and to new clause 27 on access to banking services. I very much support the Bill and completely commend what the Government are trying to do. It is a source of great pride that they are bringing financial regulation home as one of the great benefits of Brexit. I applaud what they are doing and appreciate all the engagement that Ministers have had with colleagues on the new clauses that I am speaking to.

I understand that there is an intention not to push new clause 27 to a vote, and I intend to abstain on new clause 7 if there is a Division on it, because I look forward to the policy statement that the Government have promised. I support the principle behind both the new clauses. As Members have mentioned, we seem to be moving inevitably towards a cashless society, and we can all see the personal convenience of that. Like the royal family, I personally do not carry cash around. It is only embarrassing when I am in church and the platter

comes around. That is pretty much the only occasion when I feel the need for it, but that is not the case for everyone.

For anyone using a digital payments system, the operator of the platform has potentially immense control over their life, in principle and in practice. That is why what PayPal did to the Free Speech Union and others a few months ago is so important. Yes, we can acknowledge that that event was an outlier. It was a rare and slightly inexplicable event and, yes, it was quickly corrected in some of the cases of the accounts that were closed, but the fact is that it happened. It was a straw in the wind, and the fact that individuals and organisations with heterodox political opinions found themselves unable to operate economically because of the decision of a private company acting entirely on its own initiative, possibly under pressure from external campaigns, is a troubling development. So it is vital that we send the strongest regulatory, and also cultural and political, signal to these private payment platforms that the opinions of their customers are none of their business.

Nor are private opinions any business of the state, and this is why the question of access to cash is about more than the important issue of protecting the vulnerable, although I agree with the points that have been made on that. It is also about liberty. Just now, behind the scenes, the Government and the Bank of England are developing plans for their own central bank digital currency. Again, we can see the practical appeal, but the threat is that the Government will have oversight of the economic activity of private citizens, which is something that no Government of this country have ever had in our history. It is therefore vital that the debate on a central bank digital currency has liberty front and centre. We can all say warm words about the importance of safeguards and freedoms, but the fact is that if the emergency is bad enough and the powers are available, those powers could well be used.

We saw this happening around the world, and to some degree in our own country, during the covid crisis. We have only to look at what the Canadian Government did to block access to the bank accounts of truckers protesting against the covid policy there to see what can be done in a modern liberal western country. It would be a shame if we took back control of financial regulation from the EU only to empower private payment platforms, or indeed our own central bank, in that way. Cash services and banking services are part of the infrastructure of our communities. They are also part of the infrastructure of liberty.

Wera Hobhouse (Bath) (LD): I rise to speak in support of new clauses 34 and 35. Both are tabled in my name and deal with the rules and duties of pension schemes and investments.

This Bill could be a unique opportunity to develop the green economy we need by providing the finance required to support our net zero transition. Unfortunately, this Government might again miss the boat. The Bank of England recently warned that UK banks and insurers will end up shouldering nearly £340 billion-worth of climate-related losses by 2050. Such losses will be unrecoverable, so it is cheaper to save the planet than to destroy it.

The World Bank suggests that up to 216 million people could be forced to move within their countries by 2050, but immediate climate action could reduce that

by up to 80%. Limiting global warming to 1.5°C instead of 2°C could result in around 42 million fewer people being exposed to extreme heatwaves. We have pensions to provide adequate quality of life after retirement. How absurd it would be if the climate catastrophe meant that there was little quality of life left.

5.15 pm

My amendments would remove a significant barrier to private investment contributing to a sustainable net zero future. The amendments would broaden the investment duties of pension schemes to require that investment decisions are made in the best interests of beneficiaries. They would clarify what is meant by “best interests” to encompass the long-term risks and impacts of investment decisions, including social and environmental factors. In doing so, the amendments would retain the core principle of fiduciary duty while amending the law to enable schemes to think more holistically about their investment decisions.

A recent paper published in *Nature* estimates that the UK’s financial sector is exposed to \$98 billion-worth of losses from stranded oil and gas assets. Most of those losses would be borne by individual people through their pensions, investments and savings. The law must empower schemes to avert these losses and to ensure savers retire into a world they wish to live in. My amendments would ensure that trustees still have a duty to ensure adequate financial returns for retirees while being released from pressures to qualify and justify every investment decision on its short-term returns. That will enable them to focus on the long-term financial, social and environmental prosperity that is genuinely in the best interests of savers.

There is still confusion about fiduciary duties and environmental, social and governance factors. The Law Commission has set out a two-part test for trustees aimed at helping them to consider the impact of investments on ESG, but it does not go far enough in empowering trustees to embed these considerations in investment plans. The Government always defend their net zero strategy by placing responsibility on the markets, yet investors and the markets prioritise short-term returns at the expense of social and environmental risks and the long-term health of planet and people.

We can no longer afford to view climate investment as a future consideration. We need investors to put their money where their mouth is now. It is morally wrong to make climate action a task for future generations. The worst impacts of climate change stretch well beyond typical election cycles. Rather than prioritising short-term competitiveness, the Bill must help us to meet our long-term net zero commitments. The law must support investors to make more prudent choices to ensure a liveable future for all of us. It is difficult to put an exact number on the financial risk of climate inaction, but we know the impact will be catastrophic if we continue to invest in fossil fuels. Climate change is the biggest threat to our future. It is time that the Government put our net zero targets at the heart of every sector.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): I now have to announce the results of today’s deferred Divisions.

On the draft Agricultural Holdings (Fee) Regulations 2022, the Ayes were 291 and the Noes were 159, so the Ayes have it.

On the draft Combined Authorities (Mayoral Elections) (Amendment) Order 2022, the Ayes were 289 and the Noes were 12, so the Ayes have it.

On the draft Local Authorities (Mayoral Elections) (England and Wales) (Amendment) Regulations 2022, the Ayes were 289 and the Noes were 12, so the Ayes have it.

On the draft Police and Crime Commissioner Elections and Welsh Forms (Amendment) Order 2022, the Ayes were 289 and the Noes were 13, so the Ayes have it.

Returning to the debate, if everybody speaks for five minutes instead of six minutes, it will give the Minister what I would consider to be a reasonable amount of time to respond.

Bim Afolami: With your indulgence, Madam Deputy Speaker, I would like to start, before getting into the meat of this, by paying tribute to a Labour councillor in Hitchin who recently and suddenly passed away in my constituency. Judi Billing had served as a district councillor since 1980 and was an excellent servant, and I wanted to make that point on the Floor of the House.

I rise in particular to support new clause 17. As we all know, this is really an enabling Bill and a lot of its meat will come in regulations that will be passed in the coming weeks and months. In the short time available to me, I think it is important to stand up for the regulators, because someone has to in this debate. I want to stand up for them not because I have agreed with every decision of the Prudential Regulation Authority, the Financial Conduct Authority, the Payment Systems Regulator or anyone else, but because a lot of the right criticisms that I and many other colleagues have had of the regulators arise more as a function of the system in which they operate than as a result of the decisions made by those individual regulators or institutions.

There is a key point about accountability, which many colleagues on both sides of the House have already raised: there needs to be strengthened accountability to this House. I have made the point many times before, but I urge those on the Treasury Bench, His Majesty’s Treasury and Parliament to look at this more deeply. Unless we can strengthen the accountability to this House and the other place of the regulators directly, we will continue to run up against criticisms that they are not taking colleagues’ considerations into account.

There is also a need for more effective accountability to the Government. What I mean by that is that the Government have clearly set out, in a series of actions, policy statements, speeches and strategies over the past few months, and in numerous reviews, what their intentions are. Those have been supported when it has come to votes on the Floor of this House, but sometimes there is a gap between the intention of the Government and what ends up coming through, even when regulations are passed to that end. It is important that the regulators and the Government work together to find a system whereby the Government can ensure that their strategic aims are being supported on an ongoing basis by the regulators. This is not just about saying what the policy is, passing regulations and allowing the regulators to get on with it. However well they try to do that, a lot will get missed, so we need to think about that.

[Bim Afolami]

We need to rethink the entirety of our regulatory structure, particularly as to how it governs financial services. We have very powerful regulators that have taken on a huge amount of power from the European Union, and they are doing their best. There are some overlaps between them and there are times when certain aims of one conflict with the aims of the other, even in relation to the competitiveness objective that has come up many times in the passage of this Bill. We end up with the situation where the regulators have to balance off competitiveness and other secondary objectives, and indeed the primary objectives. We have to work out how we are going to put together a framework that enables better accountability to this House, and better accountability to the political aims that have been passed by this House and to the aims of the Government, so that we get a regulatory system that drives a better, more competitive, safer financial services system.

To that end I have set up the Regulatory Reform Group, of which some Members of this House and others outside are a part. I intend to work with the Government on this issue, because unless we get it right, all the best intentions that all colleagues have in different areas will find it hard to be effected because of the structural difficulties that are inherent. So I would like to stick up for the regulators but say that they need to be able to operate in a more effective system.

David Simmonds (Ruislip, Northwood and Pinner) (Con): I am delighted to be able to speak in support of the Government this evening, because this Bill is of great importance to my constituents, many of whom work in our financial sector, and also to the capital city, of which my constituency is a part.

Since I contributed to the earlier stages of the Bill, I have had the opportunity to hear from UK Finance, Zurich, Lloyds, the London Chamber of Commerce and Industry, the Property Institute and Just Group and many others, and they have reflected back to me the broad and strong support of the financial sector, which is the jewel in our industrial crown, for the measures that the Bill envisages. The key thing from the perspective of my constituents is that the Bill seeks to right-size regulation in the United Kingdom to reflect the fact that the risks and the challenges that the sector faces change over time. Just as we need to manage the risk from competitors, through the measures on competitiveness, we also need to ensure that we have a financial sector that enables all of our citizens to access the broadest possible range of financial services.

I have listened carefully to the points made about financial inclusion, for example, which are very important in the context of our financial sector. We need to ensure—and I think this Bill does—an appropriate balance between products that are pricing in a degree of risk, but that enable people to build their creditworthiness and their participation in the benefits that the financial sector can bring in their lives, with a recognition that there are risks to constituents, in particular from the development of new products, which the Bill seeks to address through better regulation in areas such as crypto investments.

Briefly, on new clause 27, although I have sympathy with the points that have been made by a number of Members, this strikes me as an example of where there

is a significant risk of unintended consequences. As Ministers have heard, there is a need for due process for those who feel that they have been wronged by the decisions of a provider to be able to seek a remedy for that, but we do not want to get into the kind of situation that we have seen in the past, where an obligation to provide a universal service sees significant numbers of providers—useful providers—exiting the market because they are not prepared to accept the risks that come with that. My view is that the Government are finding about the right balance.

Let me turn now to the issues around the Financial Conduct Authority and the regulators. There will be a new chair of the FCA from 21 February next year. I wish to bring to the attention of the House and of Ministers that the strong view of my constituents and many in the sector is that we need to see a greater degree of rigour in the enforcement action that the FCA in particular is able to take. It is a matter not of new powers, but of making sure that they are operating effectively.

In respect of access to cash, I would like to thank Ministers. Certainly, in my constituency, we have seen really significant efforts by financial institutions to ensure that every high street has at least one free-to-use cashpoint, and, thus far, the feedback from business owners is very good.

In conclusion, I strongly support the Government's position. I am not afraid to say if I think things are going wrong, but, in this case, it is clear to me that the Bill is beneficial to my constituents as business owners, as employees in the sector, and as consumers of the sector's product, and it is beneficial to the taxpayers of the United Kingdom.

Anna Firth (Southend West) (Con): I rise in support of new clause 17. The Bill is central to the Government's commitment to long-term economic sustainability while also ensuring that our banking system is fair and provides reasonable protections for the vulnerable, including continued access to cash. Now that we are outside the EU, it is vital that we take this opportunity to build an even more agile and an even more muscular internationally facing financial centre. To do that, we need regulation that is designed to unlock growth, that will attract international investment into the UK, and that will also attract the best talent into our financial services sector, while not forgetting our equally important duty to level up financial services across the UK, including continued access to cash, to which I wish to turn straight away.

I welcome the wording of the Bill about providing "reasonable" access to cash. I appreciate that the Government have a balancing act to perform, given a fast-moving sector, changing consumer patterns and the need to provide protections. It is a balance that the Government have provided with this "reasonable" access to cash.

I wish to place on record that in picturesque Leigh-on-Sea, a part of wonderful Southend West, we have lost every single one of our high street banks over the past four years. In a constituency such as Southend West, where over one fifth of the population are over 65 and more than 6% are over 80—significantly more than the national average—local banking services are vital. Senior citizens in Southend West do not want to bank online, they do not want to bank on an app, and they should

not have to. That is why I am working with fantastic organisations such as LINK and OneBanx to set up a local banking hub.

5.30 pm

However, access to cash is not the only reason elderly people need to visit a branch. A point made very powerfully today by my hon. Friend the Member for West Worcestershire (Harriett Baldwin) and touched on by my right hon. Friend the Member for Chelmsford (Vicky Ford) and my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) is the need for personal financial advice. For many people, visiting their branch is the only way to make sure they are getting the best possible interest rates on their savings.

There is a piece of work to be done there, because I believe that every saver should have the opportunity to get the best possible rate of return on their money. Reasonable access to financial advice is essential—that is what levelling up financial services means. When interest rates move, banks must pass those changes on swiftly to borrowers and savers alike.

Sadly, that is not always the case. On 29 November, the Bank of England published a report highlighting that UK savers are receiving on average 0.52% on their interest-bearing sight deposits, an increase of only 0.4% this year. Yet we know that during that time the UK banking base rate has risen by a massive 2.9% to its current level of 3%. According to the Bank of England, £998 billion—almost £1 trillion—of hard-working taxpayers' savings is in low-earning savings accounts, earning an average of 0.52%.

Many of those savers are elderly and financially unsophisticated and they do not have access to sophisticated financial advice. That is why it is so important that we provide access to that advice, so I welcome the comments by my hon. Friend the Minister that he is going to take this point away. To put the Bank of England figures into perspective, they equate to UK savers losing £15 billion or more a year. In Southend West, that equates to £19 million a year or £270 per person.

I conclude by reminding the Minister—not that he needs any reminding—that the Financial Conduct Authority's first objective is to promote effective competition in the interest of consumers, and that it is specifically charged with identifying where firms may exploit the difficulties that customers face in making choices. I welcome this Bill and look forward to seeing the FCA step up to its greater responsibilities. Everybody who lives in Southend West deserves a fair rate of return on their hard-earned savings and to have fair access to banking facilities. I urge the FCA and the Treasury to use their groundbreaking new powers to make sure that happens.

Anthony Browne: As I have made clear in previous iterations of this legislation, I am very broadly supportive of the aims of this Bill and on the Treasury Committee we have scrutinised it in detail, so I will limit my comments to just some of the huge number of amendments. I love this exercise in democracy where different MPs with different interests come forward with their amendments; I have actually worked with many of them in my life and have direct experience with them.

I absolutely support new clause 27 on freedom of expression, which my hon. Friend the Member for Penistone and Stocksbridge (Miriam Cates) mentioned.

UsforThem, which was founded by someone in my constituency, has done some great work campaigning on schools, but was utterly traumatised by the sudden loss of access to PayPal, and we need due process around that.

On new clause 28 relating to buy now, pay later, which the hon. Member for Walthamstow (Stella Creasy) mentioned, I was involved with the regulation of payday loans, something else that fell between the gaps and needed to be sorted—it was outrageous. I am convinced by her arguments that buy now, pay later is another gap that is not addressed. I am sure the FCA has powers to deal with that already, but I hear her frustration that the Government keep saying that they will deal with it but have not done so, so I urge the Minister to put that on his list of things to take up and deal with.

The same applies to new clause 11, which the Chair of the Treasury Committee, my hon. Friend the Member for West Worcestershire (Harriett Baldwin), talked about convincingly. It is an absolute scandal that huge swathes of the population cannot get access to financial advice and are impoverished as a result because of a failure of regulation, or excessive regulation—we can blame the EU. I was on an FCA taskforce some time ago to try to sort out this problem—I was trying to remember where it went, but it clearly ran into the sand. We absolutely need to deal with this urgently. Again, I take reassurance from the Minister's comments that he will deal with it as a matter of urgency. I will hold him to that, as, I am sure, will the Chair of the Treasury Committee.

Access to in-person banking is really important. In fact, I negotiated the deal with the Post Office on behalf of the banks to open up post offices to offering banking services. There are actually more post office branches than all the bank branches in the country combined. A lot of people complained to me about the lack of access to certain banking facilities, and I would always point out that they can do those things at their local post office, which they did not know—we need to raise the profile of that.

Opposition Members need to define clearly what they mean by “in-person banking”. There are lots of different things. Do they mean going to ask for a mortgage or just paying a bill, for example? We do lots of different things in different places. The deal with the Post Office is being renegotiated, and I think the main thing there will be to ensure that whatever services we want are put into the negotiations.

Finally, I want to talk about access to free cash. I said in an intervention earlier that I massively support access to cash. Cash use is dwindling—clearly, more people are using cards and other payment types—but we need to make sure that people who do not want to use other means have access to cash and, indeed, access to free cash. I should say—I do not think anyone has remarked on it—that paid ATMs have been dying a death over the last 15 years. There is about half the number now than there was 15 years ago. People pay for only 5% of ATM withdrawals—I never do because I find it offensive to pay to take out my own money. I fully support the sentiment.

However, on new clause 7, there is already a power in the Bill for the FCA to ensure access to cash, and that could include pricing so that the FCA can ensure access to free cash. I have two things to say about the drafting of the new clause. First, it does not stipulate whether it

[Anthony Browne]

applies to personal or business customers. Traditionally and historically, a lot of business customers have paid for cash-handling services. Is the new clause saying that they should no longer pay for them? It is not quite clear. If they are no longer required to pay, are non-cash businesses cross-subsidising them? Secondly, the new clause does not stipulate whether it applies just to sterling cash and not to foreign exchange. If I was a bureau de change dealer, I would be rather worried about having to offer my services for free.

With those comments, I basically urge the Minister to stand by the various commitments he has made this afternoon. I support the Bill.

Mr Baron: I very much welcome the Bill and congratulate my hon. Friend the Minister on listening to and engaging with the points raised by many of us on the Back Benches.

I support new clause 11 in particular—I was heartened to hear what the Minister had to say about it—but may I perhaps reinforce a very simple message about the urgency required on financial advice? We in this country have been blessed with the City of London and many other world-leading financial institutions around the UK. I think I can say with some confidence that London is the financial capital of Europe, if not the world. The world comes here to do business on a variety of fronts. Yet we have very little good access to advice. In fact, if anything, we have a widening advice gap.

On the one hand, we have wealth managers raising their minimums, banks withdrawing from the high street and withdrawing fully from providing investment advice; we also have the retail distribution review, which I supported because it was ending the backhand commission for unit trusts—that was bad for the consumer—but it has resulted in independent financial advisers having to charge more and few of them being used. On the other hand, with all that advice in retreat, we have the Government and all parties saying that we must take greater control of our finances, there are greater pension freedoms and there is a great demand for good advice.

A lot of people of modest means who have no access to good advice fall into that void. They may be tempted, for example, to leave cash in the bank earning a pitiful rate of interest while inflation erodes its value. This is where the law of unintended consequences comes in, because all that regulation that had to be met before one could offer full-blown advice is fine when we are talking about full-blown advice, but there is a middle ground that needs to be covered. I offer a basic statistic that might interest or help those willing to take a particularly long-term view to their financial planning: instead of leaving money in cash, if they invest in equities over the long term—25 years, for example—they stand a very small chance of losing money. There will be volatility, but because they are investing, hopefully, in growing businesses, they will do well, and 97 times out of 100, that will beat cash deposits. That is the sort of advice that banks, building societies and many others could give, without getting too complex about financial planning. It would offer consumers a choice, rather than just letting their cash sit in banks and get eroded. Will the Minister therefore give impetus to the assurance he has given on new clause 11 and really get the Treasury

looking at this issue, because there is a halfway house, and we must not stop regulation being the enemy of the good? That is what we are asking for.

I will add one other thing quickly in the minute I have left. Please make sure that our regulators listen to the various trade bodies when it comes to regulation, because we are inheriting—I very much welcome this Bill—a lot of powers from the EU. We are in control of our own destiny, but I take issue with the FCA on a number of points. One of them is that when it comes to investment trusts, there are such things as key information documents. They are an invention of the EU and are misleading about risk and putting consumers at risk of losing money—it is as simple as that. The Association of Investment Companies has said that. By the way, it has also said, in relation to those key information documents, “burn before reading”. Despite that, there has been no meaningful action from the FCA on that issue, and that is wrong. I ask the Minister to make sure that our regulators do not rest on their laurels, realise the greater freedoms they have got and rise to the occasion.

Andrew Griffith: I thank Members from all parts of the House who have spoken today for their valued and often very informative and sometimes passionate contributions. I sense a tone of disappointment in the hon. Member for Hampstead and Kilburn (Tulip Siddiq), my shadow on the Opposition Front Bench. I will try to endeavour not to disappoint her in return for her party’s support for this important and landmark Bill. I spoke at length in my opening remarks. I hope I was generous in taking interventions, and perhaps colleagues will indulge me if I try to get through this as quickly as possible.

We heard from my right hon. Friend the Member for Chelmsford (Vicky Ford), my predecessor, who contributed so much to this Bill. We also heard from my hon. Friend the Member for North East Bedfordshire (Richard Fuller) and from my hon. Friend the Member for North Warwickshire (Craig Tracey), who served on the Bill Committee. They all spoke to a greater or lesser degree in support of new clause 17 and about how we can make that better and better hold the regulators to account.

We heard about the specific metrics suggested in new clauses 12, 13, 14 and 15—my hon. and right hon. Friends are very productive. I can say that I will consider things very carefully. In those amendments, they gave specific examples of how we could potentially deploy the powers in new clause 17, and I undertake to consider carefully whether those are the right way forward. We heard from my right hon. Friend the Member for Chelmsford about that sense of urgency, and we got that again in new clause 11. Again, it is potentially a good way forward that I would like to consider.

We all understand that it comes down to financial inclusion, for which the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) rightly never fails to agitate. If, however, the consequences of our financial regulation exclude, as I think we heard, 92% of people from getting basic guidance on the sorts of products that are right for them, that is a problem for inclusion and for the industry. It is something that I was asked to take away with due urgency, and I commit that once we have the Bill on the statute book that is absolutely what I will do. Technology can be our friend there as well. We heard that from my hon. Friend the Member for West Worcestershire (Harriett Baldwin), the Chair of the Treasury Committee.

5.45 pm

Hon. Members on both sides of the House are wrestling with what to give to the financial regulators, in a sector that touches the lives of so many individuals and so many facets of human behaviour, and how to manage the process of repatriating those rules from the unaccountable European Commission, which my friend, the hon. Member for Glenrothes (Peter Grant), the spokesman for the SNP, is so anxious that we do not diverge or derogate from, so as to ease our passage immediately back into that unaccountable world.

We heard contributions from my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) and the hon. Member for Blaenau Gwent (Nick Smith) on the work, and frankly the challenges, that hon. Members have faced in the case of the British Steel pension fund, trying to get redress and to speak up for their constituents in the face of regulators that—whether this was real or imagined—they certainly felt were unaccountable to this place. They had to use the mechanisms of the Public Accounts Committee and the National Audit Office. I have taken away how we can improve the parliamentary scrutiny in the way that both hon. Members sought. We heard about that big issue again from the hon. Member for Richmond Park (Sarah Olney). It would be cheap to suggest that going back into the EU would remove the parliamentary accountability that she seeks, but nevertheless we are all pushing, in many ways, at the same thing.

We rightly spent a lot of time talking about access to cash. We heard significant contributions from the hon. Member for Mitcham and Morden (Siobhain McDonagh). I still look forward to visiting her new LINK ATM cash machine as part of the industry-led initiative. I am now as keen to see it as she and her constituents no doubt are—I hope that can be an early 2023 commitment. My right hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) also talked with great passion, and his knowledge from campaigning on the issue. He spoke about 8 million households. It is absolutely the position of the Government that this is a problem, and there is a firm expectation on the industry to help us address it.

We must not underestimate the significance of the legislative action that we are taking in the Bill, putting an access to cash obligation on the regulators for the first time. I have made very clear my expectation of what that will look like, as well as the consequences if the regulators, together with the industry voluntary sector, do not solve the issue for us. The Government will achieve that by means of the statement that will set out our position on matters such as cost and location.

Although I understand the desire behind new clause 7, and its superficial attractiveness to many in this House, we need to be wary of unintended consequences. It is not as simple as just inserting the word “free”. There are a number of initiatives in this space already, and I do not want them to be prejudiced by artificially rushing to statute. The Government will therefore not support new clause 7, but we will continue to work to ensure that we protect our constituents on this issue.

We are protecting our planet as well. My right hon. Friend the Member for Epsom and Ewell (Chris Grayling) talked, on this day of the biodiversity summit in Montreal, about the deforestation crisis and the need for financial providers to do due diligence on where their money is going. That is of course absolutely right. It is what we

expect from good stewardship. He was kind enough also to talk about some of the challenges, in that financial providers do not always know directly or indirectly where their capital ends up. I will continue to work with him.

The Government have supported the taskforce on nature-related financial disclosures. We are a big backer of that taskforce, which we have given £3 million of funding, and its work continues in the first half of 2023. In parallel with that, we will consider bringing those standards into the disclosure framework as they develop; I hope to continue to work with my right hon. Friend on that.

I was clear in my opening speech about the importance of freedom of speech and expression. We heard passionate contributions from my hon. Friends the Members for Hastings and Rye (Sally-Ann Hart), who has done so much work on the issue, and for Penistone and Stocksbridge (Miriam Cates), who first brought the Free Speech Union and the issue to my attention. I am disturbed to learn of other cases. As I said, we commit to consult on that, to look at whether there is a more systemic problem and to consider what the right legislative solutions could be.

The hon. Member for Hampstead and Kilburn talked about the climate and our position on green and sustainable finance—I do not fully accept what she said about us not being a leader. That is our objective and I will do everything I can to continue what I regard as London’s lead on that. We have exchanged various documents about it and she does not quite agree with my interpretation, but we are pushing in exactly the same direction.

We will introduce new sustainability disclosure requirements, on which the FCA is consulting. We are introducing transition planning requirements to move to the clean, green future that we all seek as we move into the clean, low-carbon economy. Last September we launched the green financing programme with a record-breaking debut sovereign green bond, and I hope the Opposition support that initiative. Subsequently, that programme has raised £22 billion of green finance to finance the green transition. London is a leading hub, with issuances totalling more than £10 billion from worldwide issuers, including Chile, Egypt, Mexico, Hong Kong and Fiji.

We have heard a lot about fraud, on which the hon. Lady has tabled an amendment. I reassure hon. Members that the Government take that important issue extremely seriously. We are dedicated to protecting the public from that devastating and sadly growing crime. Tackling fraud requires a unified and co-ordinated approach across Government, law enforcement and the private sector to better protect the public and businesses from fraud. We want to reduce the impact of fraud as well as its prevalence, and increase the disruption and prosecution of fraudsters. We will put the right resources into frontline policing to ensure that they can do that.

David Simmonds: I recently heard from my local borough police commander that a major priority in the recruitment of new officers to the Metropolitan police is finding people not to go out on the beat but to do the detailed back-office work of tracking down fraudsters and scammers, and that the Met had enjoyed considerable success. Does the Minister agree that should be a high priority for the Home Office and police forces across the country?

Andrew Griffith: My hon. Friend is absolutely right that that is a critical priority. We heard the figures—no one disputes them—about the growing prevalence of fraud, much of which is displacement as people go online. We need to give people the tools to protect themselves and we need to ensure that it is a high priority for those who seek to protect us.

We will empower the public with information. The hon. Member for Kingston upon Hull West and Hessle talked about financial inclusion. As we know, there is a slight difference of opinion, in that the FCA considers that that is already within its remit. It is absolutely something that I would like to see greater transparency on, and perhaps that is somewhere we can make common cause.

Sir Geoffrey Clifton-Brown: On fraud, about which I gave the figures to the House earlier, we had a hearing of the Public Accounts Committee the other day. I suggested two things: first, fraud should be made a strategic priority for every police force; and secondly, every police officer in the country should receive at least some basic training in the likelihood of fraud crimes.

Andrew Griffith: Fraud is of course a shared responsibility between the Treasury and my hon. Friends in the Home Office, and when it comes to the report that the hon. Member for Hampstead and Kilburn is quite rightly challenging us to produce as quickly as possible, we want that report to be right rather than quick, but we do need to bring it forward as quickly as possible. We will use the time wisely to engage with expert stakeholders, which could well include the training of which my hon. Friend speaks, and we will come forward with that early in 2023.

In addition, this Bill is a seminal moment in protecting victims of authorised push payment fraud. It will ensure swift protections for the vast majority of APP scam victims, reversing the presumption and making sure they receive swift reimbursement so that they are no longer victims of this crime. The measure enables the Payment Systems Regulator to take action across all payments systems, not just faster payments, which is where the fraud occurs most, so that it does not merely get displaced. The Government expect protections for consumers across all payments systems to keep pace with that.

Richard Fuller: My hon. Friend has not yet had an opportunity to talk about the Government's initiative on stablecoins and digital currencies. Given that he has just talked about scams and some of the concerns with cryptocurrencies, is he reassured that what is in this Bill relating to stablecoins remains absolutely front and centre of the Government's attention?

Andrew Griffith: I again thank my hon. Friend, who did so much work on this Bill. It is absolutely right that the Government keep an open mind to new technologies, and my hon. Friend the Member for Devizes (Danny Kruger), who is always very thoughtful, talked about this, but we have to understand the risks. While the risks to consumers of scams in the crypto-space, among others, is extremely high and has been well telegraphed, when it comes to looking at different payment systems—with the power of distributed ledger technology to solve issues such as settlement to make our financial markets

cleaner, faster and more efficient—it is absolutely right that the Government consider looking at that, and we will be looking to do more in that domain.

Tulip Siddiq: I thank the Minister for his response, and he is making encouraging noises about the forward strategy, which I look forward to seeing, but I have not yet heard him mention anything about data sharing. The fact is that frauds and scams have moved on from what they might have been in the past. Is he going to give some indication of whether there will be a data-sharing arrangement that goes beyond just banks and takes into account social media companies, crypto-asset firms and other platforms that criminals are exploiting, because our vulnerable constituents are falling prey to frauds and scams? It is no good just going back to the old ways on frauds and scams—I am sure he understands that—so could I hear a bit more about data sharing, please?

Andrew Griffith: He does indeed understand that. We are addressing legal challenges to data sharing in the Economic Crime and Corporate Transparency Bill, which will introduce provisions to protect firms from civil liability. As was discussed earlier, it is important to regulate the online world, which my colleagues in the Department for Digital, Culture, Media and Sport are doing in the Online Safety Bill.

Danny Kruger: Will the Minister give way?

Andrew Griffith: I will not give way to my hon. Friend this time.

To conclude, financial and related professional services play a crucial role, as we have heard from many speakers. They contribute nearly £100 billion in taxes and, as my right hon. Friend the Member for Chelmsford reminded us, that pays for more than the cost of the salaries of every nurse in this country. The Government have an ambitious programme for an open, outward, sustainable, technologically advanced and internationally competitive sector that will unleash the most opportunities not just for those who work in it, but for communities across the United Kingdom.

Stella Creasy: I am sorry to interrupt the Minister in his final flow, but he did promise he would give me a direct answer. With 40% of people saying they are going to put their Christmas spending on buy now, pay later loans, and they have no regulatory protection, what is going to do to help them this Christmas?

Andrew Griffith: The hon. Lady knows from our conversations in the Bill Committee our ambition to look again afresh at the regulations in the consumer credit market. That is outwith this Bill, but it is a commitment that remains and that we will bring forward at the earliest opportunity.

Do not underestimate the power of this Bill. This is an unlock for our financial services. This is the start of delivering our Brexit freedoms. It is giving us back the opportunity to make ourselves competitive—a more prosperous economy, jobs for our children and grandchildren, tax revenues that will pay for our high-quality services, and higher GDP growth. All of that is contained in this Bill, at the same time as protecting the consumers that Members opposite talk about, and delivering on the ambition to put this on the statute book.

Question put and agreed to.

New clause 17 accordingly read a Second time, and added to the Bill.

6 pm

Proceedings interrupted (Programme Order, 7 September).

The Deputy Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

New Clause 18

COMPOSITION OF PANELS

“(1) FSMA 2000 is amended in accordance with subsections (2) to (8).

(2) After section 1M (FCA’s general duty to consult) insert—

“1MA Composition of Panels

(1) A person who receives remuneration from the FCA, the PRA, the Payment Systems Regulator, the Bank of England or the Treasury is disqualified from being appointed as a member of a panel established under any of sections 1N to 1QA or 138IA.

(2) Subsection (1) does not apply in respect of a panel mentioned in that subsection if regulations made by the Treasury provide for it not to apply to that panel.

(3) Regulations under subsection (2) may make provision in respect of a panel—

- (a) generally, or
- (b) only in relation to such descriptions of persons or cases as the regulations may specify (but the power to make such regulations may not be exercised so as to specify persons by name).”

(3) In section 1N (FCA Practitioner Panel), after subsection (5) insert—

“(6) Subsections (4) and (5) are subject to section 1MA.”

(4) In section 1O (Smaller Business Practitioner Panel), after subsection (6) insert—

“(6A) Subsections (5) and (6) are subject to section 1MA.”

(5) In section 1P (Markets Practitioner Panel), after subsection (6) insert—

“(7) Subsections (4) to (6) are subject to section 1MA.”

(6) In section 1Q (Consumer Panel), after subsection (4) insert—

“(4A) Subsection (4) is subject to section 1MA.”

(7) After section 2L (PRA’s general duty to consult) insert—

“2LA Composition of Panels

(1) A person who receives remuneration from the FCA, the PRA, the Payment Systems Regulator, the Bank of England or the Treasury is disqualified from being appointed as a member of a panel established under any of sections 2M, 2MA or 138JA.

(2) Subsection (1) does not apply in respect of a panel mentioned in that subsection if regulations made by the Treasury provide for it not to apply to that panel.

(3) Regulations under subsection (2) may make provision in respect of a panel—

- (a) generally, or
- (b) only in relation to such descriptions of persons or cases as the regulations may specify (but the power to make such regulations may not be exercised so as to specify persons by name).”

(8) In section 2M (the PRA Practitioner Panel), after subsection (5) insert—

“(6) Subsections (4) and (5) are subject to section 2LA.”

(9) In section 103 of the Financial Services (Banking Reform) Act 2013 (regulator’s general duty to consult) after subsection (5) insert—

“(5A) A person who receives remuneration from the FCA, the PRA, the Payment Systems Regulator, the Bank of England or the Treasury is disqualified from being appointed as a member of a panel established under subsection (3).

(5B) Subsection (5A) does not apply in respect of a panel mentioned in that subsection if regulations made by the Treasury provide for it not to apply to that panel.

(5C) Regulations under subsection (5B) may make provision in respect of a panel—

- (a) generally, or
- (b) only in relation to such descriptions of persons or cases as the regulations may specify (but the power to make such regulations may not be exercised so as to specify persons by name).”—(Andrew Griffith.)

This new clause disqualifies those who are paid by a regulator, the Bank of England or the Treasury from being appointed to a statutory advisory panel, subject to any exemptions the Treasury may set out in regulations.

Brought up, and added to the Bill.

New Clause 19

CONSULTATION ON RULES

“(1) In section 138I of FSMA 2000 (consultation by the FCA), after subsection (4) insert—

“(4A) The FCA must include, in the account mentioned in subsection (4), a list of the respondents who made the representations, where those respondents have consented to the publication of their names.

(4B) The duty in subsection (4A) is not to be read as authorising or requiring such processing of personal data as would contravene the data protection legislation (but the duty is to be taken into account in determining whether particular processing of data would contravene that legislation).

(4C) For the purposes of this section, the exemption relating to functions conferred on the FCA mentioned in paragraph 11 of Schedule 2 to the Data Protection Act 2018 (exemption from application of listed GDPR provisions) does not apply.”

(2) In section 138J of FSMA 2000 (consultation by the PRA), after subsection (4) insert—

“(4A) The PRA must include, in the account mentioned in subsection (4), a list of the respondents who made the representations, where those respondents have consented to the publication of their names.

(4B) The duty in subsection (4A) is not to be read as authorising or requiring such processing of personal data as would contravene the data protection legislation (but the duty is to be taken into account in determining whether particular processing of data would contravene that legislation).

(4C) For the purposes of this section, the exemption relating to functions conferred on the PRA mentioned in paragraph 9 of Schedule 2 to the Data Protection Act 2018 (exemption from application of listed GDPR provisions) does not apply.”

(3) In section 104 of the Financial Services (Banking Reform) Act 2013 (consultation requirements), after subsection (5) insert—

“(5A) The Payment Systems Regulator must include, in the account mentioned in subsection (5), a list of the respondents who made the representations, where those respondents have consented to the publication of their names.

(5B) The duty in subsection (5A) is not to be read as authorising or requiring such processing of personal data as would contravene the data protection legislation (but the duty is to be taken into account in determining whether particular processing of data would contravene that legislation).

(5C) In this section “data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act).”—(Andrew Griffith.)

This new clause would require the FCA, the PRA, the Payment Systems Regulator and the Bank of England to publish the names of respondents to their consultations on proposed new rules, where those respondents have consented to such publication.

Brought up, and added to the Bill.

New Clause 20

UNAUTHORISED CO-OWNERSHIP AIFs

“(1) FSMA 2000 is amended as follows.

(2) In section 261E (authorised contractual schemes: holding of units)—

(a) before subsection (1) insert—

“(A1) This section sets out requirements for the purposes of section 261D(1)(a) (authorisation orders).”;

(b) in subsection (1) for “a contractual” substitute “the”.

(3) After section 261Z5 insert—

“CHAPTER 3B

UNAUTHORISED CO-OWNERSHIP AIFs

261Z6 Power to make provision about unauthorised co-ownership AIFs

(1) The Treasury may by regulations make provision about unauthorised co-ownership AIFs that corresponds or is similar to, or applies with modifications, any of sections 261M to 261O and section 261P(1) and (2) (rights and liabilities of participants in authorised co-ownership schemes).

(2) Regulations under subsection (1) may make provision about unauthorised co-ownership AIFs generally, or about unauthorised co-ownership AIFs of a description specified in the regulations.

(3) In this section “unauthorised co-ownership AIF” means a co-ownership scheme that—

(a) is an AIF, and

(b) is not authorised for the purposes of this Act by an authorisation order in force under section 261D(1).” —
(*Andrew Griffith.*)

This new clause would enable the Treasury to make provision about the rights and liabilities of participants in unauthorised co-ownership AIFs which is similar to that made in relation to authorised co-ownership schemes in Chapter 3A of Part 17 of the Financial Services and Markets Act 2000.

Brought up, and added to the Bill.

New Clause 1

NATIONAL STRATEGY ON FINANCIAL FRAUD

“(1) The Treasury must lay before the House of Commons a national strategy for the purpose of detecting, preventing and investigating fraud and associated financial crime within six months of the passing of this Act.

(2) In preparing the strategy, the Treasury must consult—

(a) the Secretary of State for the Home Office,

(b) the National Economic Crime Centre,

(c) law enforcement bodies which the Treasury considers relevant to the strategy,

(d) relevant regulators,

(e) financial services stakeholders,

(f) digital platforms, telecommunications companies, financial technology companies, and social media companies.

(3) The strategy must include arrangements for a data-sharing agreement involving—

(a) relevant law enforcement agencies,

(b) relevant regulators,

(c) financial services stakeholders,

(d) telecommunications stakeholders, and

(e) technology-based communication platforms,

for the purposes of detecting, preventing and investigating fraud and associated financial crime and, in particular, tracking stolen money which may pass through mule bank accounts or platforms operated by other financial services stakeholders.

(4) In this section “fraud and associated financial crime” includes, but is not limited to authorised push payment fraud, unauthorised facility takeover fraud, and online and offline identity fraud.

(5) In this section, “financial services stakeholders” includes banks, building societies, credit unions, investment firms, Electric Money Institutions, virtual asset providers and exchanges, and payment system operators.”—(*Tulip Siddiq.*)

This new clause would require the Treasury to publish a national strategy for the detection, prevention and investigation of fraud and associated financial crime, after having consulted relevant stakeholders. The strategy must include arrangements for a data sharing agreement between law enforcement agencies, regulators and others to track stolen money.

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 205, Noes 282.

Division No. 116]

[6.1 pm

AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)

Abrahams, Debbie

Ali, Rushanara

Ali, Tahir

Amesbury, Mike

Anderson, Fleur

Antoniazzi, Tonia

Barker, Paula

Beckett, rh Margaret

Begum, Apsana

Benn, rh Hilary

Betts, Mr Clive

Black, Mhairi

Blake, Olivia

Blomfield, Paul

Bonnar, Steven

Bradshaw, rh Mr Ben

Brock, Deidre

Brown, Alan

Brown, Ms Lyn

Brown, rh Mr Nicholas

Bryant, Chris

Buck, Ms Karen

Burgon, Richard

Butler, Dawn

Byrne, Ian

Cadbury, Ruth

Callaghan, Amy (*Proxy vote cast by Owen Thompson*)

Cameron, Dr Lisa

Campbell, rh Sir Alan

Carden, Dan

Carmichael, rh Mr Alistair

Chamberlain, Wendy

Champion, Sarah

Charalambous, Bambos

Cooper, Daisy

Coyle, Neil

Creasy, Stella

Cruddas, Jon

Cryer, John

Cummins, Judith

Cunningham, Alex

Daby, Janet

Davey, rh Ed

David, Wayne

Davies, Geraint

Davies-Jones, Alex

De Cordova, Marsha

Debbonaire, Thangam

Dhesi, Mr Tanmanjeet Singh

Docherty-Hughes, Martin

Dodds, Anneliese

Dorans, Allan (*Proxy vote cast by Owen Thompson*)

Doughty, Stephen

Duffield, Rosie

Eagle, Dame Angela

Eagle, Maria

Eastwood, Colum

Edwards, Jonathan

Efford, Clive

Elliott, Julie

Elmore, Chris

Eshalomi, Florence

Esterson, Bill

Evans, Chris

Fellows, Marion

Ferrier, Margaret

Flynn, Stephen

Foxcroft, Vicky

Foy, Mary Kelly

Gibson, Patricia

Gill, Preet Kaur

Grady, Patrick

Grant, Peter

Green, Sarah

Greenwood, Lilian

Greenwood, Margaret

Hamilton, Fabian

Hanna, Claire
 Hanvey, Neale
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendrick, Sir Mark
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Kinnock, Stephen
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lightwood, Simon
 Linden, David
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 Mearns, Ian
 Mishra, Navendu
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Owen Thompson*)

O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim
 Sharma, Mr Virendra
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Nick
 Smyth, Karin
 Stephens, Chris
 Stevens, Jo
 Sultana, Sarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Wilson, rh Sammy
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

**Liz Twist and
 Mary Glindon**

NOES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam

Aiken, Nickie
 Aldous, Peter
 Anderson, Lee

Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baldwin, Harriett
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinanage, Dame Caroline
 Dines, Miss Sarah
 Donelan, rh Michelle
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick

Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Edwards, Ruth
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Griffith, Andrew
 Grundy, James
 Halfon, rh Robert
 Hall, Luke
 Hancock, rh Matt
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Henderson, Gordon
 Hinds, rh Damian
 Hoare, Simon
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David

Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Knight, rh Sir Greg
 Knight, Julian
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 McCartney, Jason
 McCartney, Karl
 McPartland, rh Stephen
 McVey, rh Esther
 Mercer, Johnny
 Merriman, Huw
 Millar, Robin
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Murray, Mrs Sheryll
 Morrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Penning, rh Sir Mike
 Penrose, John
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John

Rees-Mogg, rh Mr Jacob
 Richardson, Angela
 Roberts, Rob
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Sambrook, Gary
 Saxby, Selaine
 Seely, Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, rh Alok
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob

Tellers for the Noes:
 Steve Double and
 Fay Jones

Question accordingly negated.

New Clause 2

LOCAL COMMUNITY ACCESS TO ESSENTIAL IN-PERSON BANKING SERVICES

(1) The Treasury and the FCA must jointly undertake a review of the state of access to essential in-person banking services for local communities in the United Kingdom, and jointly prepare a report on the outcome of the review.

(2) “Essential in-person banking services” include services which are delivered face-to-face and which local communities require regular access to. These may include services provided in banks, banking hubs, or other service models.

(3) The report mentioned in subsection (1) must be laid before the House of Commons as soon as practicable after the review has been undertaken.

(4) The report mentioned in subsection (1) must propose a minimum level of access to essential in-person banking services which must be provided by banks and building societies in applicable local authority areas in the United Kingdom, for the purpose of ensuring local communities have adequate access to essential in-person banking services.

(5) The applicable local authority areas mentioned in subsection (4) are local authority areas in which, in the opinion of the FCA, local communities have a particular need for the provision of essential in-person banking services.

(6) In any applicable local authority area which, according to the results of the review undertaken under subsection (1) falls below the minimum level of access mentioned in subsection (4), the FCA may give directions for the purpose of ensuring essential in-person banking services meet the minimum level of access required by subsection (4).

(7) A direction under subsection (6) may require a minimum level of provision of essential in-person banking services through mandating, for example—

- (a) a specified number of essential in-person banking services within a geographical area, or
- (b) essential in-person banking services to operate specific opening hours.’—(*Tulip Siddiq.*)

This new clause would require the Treasury and FCA to conduct and publish a review of community need for, and access to, essential in-person banking services, and enable the FCA to ensure areas in need of essential in-person banking service have a minimum level of access to such services.

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 204, Noes 278.

Division No. 117]

[6.16 pm

AYES

Abbott, rh Ms Diane (<i>Proxy vote cast by Bell Ribeiro-Addy</i>)	Brock, Deidre
Abrahams, Debbie	Brown, Alan
Ali, Rushanara	Brown, Ms Lyn
Ali, Tahir	Brown, rh Mr Nicholas
Amesbury, Mike	Bryant, Chris
Anderson, Fleur	Buck, Ms Karen
Antoniazzi, Tonia	Burgon, Richard
Barker, Paula	Butler, Dawn
Beckett, rh Margaret	Byrne, Ian
Begum, Apsana	Cadbury, Ruth
Benn, rh Hilary	Callaghan, Amy (<i>Proxy vote cast by Owen Thompson</i>)
Betts, Mr Clive	Cameron, Dr Lisa
Black, Mhairi	Carden, Dan
Blake, Olivia	Carmichael, rh Mr Alistair
Blomfield, Paul	Chamberlain, Wendy
Bonnar, Steven	Champion, Sarah
Bradshaw, rh Mr Ben	Charalambous, Bambos
Brennan, Kevin	Cooper, Daisy
	Coyle, Neil

Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 Davey, rh Ed
 David, Wayne
 Davies, Geraint
 Davies-Jones, Alex
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Dorans, Allan (*Proxy vote cast by Owen Thompson*)
 Doughty, Stephen
 Duffield, Rosie
 Eagle, Dame Angela
 Eagle, Maria
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Fellows, Marion
 Ferrier, Margaret
 Flynn, Stephen
 Foxcroft, Vicky
 Foy, Mary Kelly
 Gibson, Patricia
 Gill, Preet Kaur
 Grady, Patrick
 Grant, Peter
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Hamilton, Fabian
 Hanna, Claire
 Hanvey, Neale
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendrick, Sir Mark
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Kinnock, Stephen
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma

Lewis, Clive
 Lightwood, Simon
 Linden, David
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 Mearns, Ian
 Mishra, Navendu
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Owen Thompson*)
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim
 Sharma, Mr Virendra
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Nick
 Smyth, Karin
 Stephens, Chris
 Stevens, Jo
 Sultana, Zarah
 Tami, rh Mark

Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baldwin, Harriett
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Carter, Andy
 Cartlidge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris

West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Wilson, rh Sammy
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

Liz Twist and
 Mary Glendon

NOES

Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Dinanage, Dame Caroline
 Dines, Miss Sarah
 Donelan, rh Michelle
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Edwards, Ruth
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evannett, rh Sir David
 Fabricant, Michael
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard

Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Griffith, Andrew
 Grundy, James
 Halfon, rh Robert
 Hall, Luke
 Hancock, rh Matt
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Henderson, Gordon
 Hinds, rh Damian
 Hoare, Simon
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Knight, rh Sir Greg
 Knight, Julian
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 McCartney, Jason
 McCartney, Karl
 Mercer, Johnny
 Merriman, Huw

Millar, Robin
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Murray, Mrs Sheryl
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Penning, rh Sir Mike
 Penrose, John
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Pritchard, rh Mark
 Pursglove, Tom
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richardson, Angela
 Roberts, Rob
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Sambrook, Gary
 Saxby, Selaine
 Seely, Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, rh Alok
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin

Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Webb, Suzanne
 Whately, Helen

Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob

Tellers for the Noes:
 Steve Double and
 Fay Jones

Question accordingly negated.

New Clause 7

ACCESS TO CASH: GUARANTEED MINIMUM PROVISION

'(1) The Treasury must, by regulations, make provision to guarantee a minimum level of access to free of charge cash access services for consumers across the United Kingdom.

(2) The minimum level of access referred to in subsection (1) must be included in the regulations.

(3) Regulations under this section shall be made by statutory instrument, and may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.'—
(Siobhain McDonagh.)

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 206, Noes 271.

Division No. 118]

[6.30 pm

AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
 Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir
 Amesbury, Mike
 Antoniazzi, Tonia
 Barker, Paula
 Beckett, rh Margaret
 Begum, Apsana
 Benn, rh Hilary
 Betts, Mr Clive
 Black, Mhairi
 Blake, Olivia
 Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, Ian
 Cadbury, Ruth
 Callaghan, Amy (*Proxy vote cast by Owen Thompson*)
 Cameron, Dr Lisa
 Carden, Dan

Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Champion, Sarah
 Charalambous, Bambos
 Chope, Sir Christopher
 Cooper, Daisy
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 Davey, rh Ed
 David, Wayne
 Davies, Geraint
 Davies, Philip
 Davies-Jones, Alex
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Dodds, Anneliese
 Dorans, Allan (*Proxy vote cast by Owen Thompson*)
 Doughty, Stephen
 Duffield, Rosie
 Eagle, Dame Angela
 Eagle, Maria
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris

Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Fellows, Marion
 Ferrier, Margaret
 Flynn, Stephen
 Foy, Mary Kelly
 Gibson, Patricia
 Gill, Preet Kaur
 Grady, Patrick
 Grant, Peter
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Hamilton, Fabian
 Hanna, Claire
 Hanvey, Neale
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Hendrick, Sir Mark
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Kinnock, Stephen
 Kruger, Danny
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lightwood, Simon
 Linden, David
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Malhotra, Seema
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 McVey, rh Esther
 Mearns, Ian
 Mishra, Navendu
 Monaghan, Carol
 Moran, Layla
 Morgan, Helen

Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Owen Thompson*)
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Oswald, Kirsten
 Owatemi, Taiwo
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim
 Sharma, Mr Virendra
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Nick
 Smyth, Karin
 Stevens, Jo
 Sturdy, Julian
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Wilson, rh Sammy
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
 Liz Twist and
 Mary Glindon

NOES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baldwin, Harriett
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, Alex
 Chishtil, Rehman
 Churchill, Jo
 Clark, rh Greg
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Dineneage, Dame Caroline
 Dines, Miss Sarah
 Donelan, rh Michelle
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Edwards, Ruth
 Ellwood, rh Mr Tobias
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Griffith, Andrew
 Grundy, James
 Halfon, rh Robert
 Hall, Luke
 Hancock, rh Matt
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Henderson, Gordon
 Hinds, rh Damian
 Hoare, Simon
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister

Javid, rh Sajid
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Knight, rh Sir Greg
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark (*Proxy vote cast
 by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 McCartney, Karl
 Mercer, Johnny
 Merriman, Huw
 Millar, Robin
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Penning, rh Sir Mike
 Penrose, John
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Pritchard, rh Mark
 Purslove, Tom

Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Sambrook, Gary
 Saxby, Selaine
 Seely, Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, rh Alok
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stride, rh Mel
 Stuart, rh Graham
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Sir John
 Wigg, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob

Tellers for the Noes:
 Steve Double and
 Fay Jones

Question accordingly negated.

Clause 6

RESTATEMENT IN RULES: EXEMPTION FROM CONSULTATION REQUIREMENTS ETC

Amendments made: 8, page 5, line 9, leave out “restatement” and insert “excluded”.

See the explanatory statement for Amendment 10.

Amendment 9, page 5, line 12, leave out from “specified,” to end of line 13 and insert

“in relation to the making of rules by the regulator in regulations made by the Treasury for the purposes of this section.”

This amendment is for drafting consistency with the new subsections being inserted by Amendment 10.

Amendment 10, page 5, line 14, leave out subsection (2) and insert—

“(2) A relevant requirement does not apply to the making of rules by a regulator if and to the extent that—

- (a) the proposed rules make excluded changes to provision of existing rules made by the regulator containing a retained EU obligation, and
- (b) the retained EU obligation is specified, or falls within a description of obligations specified, in relation to the making of rules by the regulator in regulations made by the Treasury for the purposes of this section.

(2A) A relevant requirement does not apply to the revocation of rules by a regulator if and to the extent that—

- (a) the rules being revoked make provision containing a retained EU obligation, and
- (b) the rules are revoked without being replaced by other rules made by the regulator.

(2B) For the purposes of subsection (1), rules make excluded provision in relation to provisions of legislation if, in the opinion of the regulator making the rules, the rules reproduce those provisions—

- (a) without any changes that are material, or
- (b) with changes that are material but their effect is to reduce a regulatory burden without having any other effects that are material.

(2C) For the purposes of subsection (2), rules make excluded changes to provision of existing rules if, in the opinion of the regulator making the rules—

- (a) the effect of the changes is to reduce a regulatory burden, and
- (b) the changes have no other effects that are material.

(2D) In this section references to a “regulatory burden” include (among other things) references to—

- (a) a financial cost;
- (b) an administrative inconvenience;
- (c) an obstacle to trade or innovation;
- (d) an obstacle to efficiency, productivity or profitability.

(2E) Where a relevant requirement does not apply to the making or revocation of rules by virtue of subsection (1), (2) or (2A), the requirement also does not apply to any rules that contain incidental, supplemental, consequential or transitional provision so far as made in connection with provision made by virtue of that subsection.”

This amendment broadens the circumstances in which consultation requirements in connection with the making or revocation of regulatory rules need not be complied with.

Amendment 11, page 5, line 29, leave out subsection (4) and insert—

“(4) Where a regulator makes or revokes rules without complying with a relevant requirement by virtue of subsection (1), (2) or (2A), the regulator must publish a statement which must—

- (a) in a case falling within subsection (1), list the provisions of legislation that have been restated by the rules;

- (b) in a case falling with subsection (2), specify or describe the retained EU obligations in relation to which changes have been made by the rules;
- (c) in a case falling within subsection (2A), specify or describe the retained EU obligations that have been removed by the revocation of the rules.

(4A) Where the statement relates to the making of rules that include provision of a kind mentioned in subsection (2B)(b) or (2C)(a) and (b), the statement must—

- (a) if made by the FCA, include an explanation of the FCA's reasons for believing that making the proposed rules is compatible with its duties under section 1B(1) and (5)(a) of FSMA 2000;
- (b) if made by the PRA, include an explanation of the PRA's reasons for believing that making the proposed rules is compatible with its duties under—
 - (i) section 2B(1) or, as the case requires, section 2C(1) or 2D(3) of FSMA 2000, and
 - (ii) section 2H of FSMA 2000;
- (c) if made by the Bank of England, include an explanation of the Bank's reasons for believing that making the proposed rules is compatible with the Bank's financial stability objective under section 2A of the Bank of England Act 1998;
- (d) if made by the Payment Systems Regulator, include an explanation of the Regulator's reasons for believing that making the proposed rules is compatible with its duties under section 49 of the Financial Services (Banking Reform) Act 2013.”—(Andrew Griffith.)

This amendment imposes a duty on the regulators to publish a statement about the making of any rules that are made without complying with consultation requirements under this clause.

Clause 38

LISTING AUTHORITY ADVISORY PANEL

Amendment made: 12, page 53, line 25, at end insert—

“(6A) Subsections (5) and (6) are subject to section 1MA.”—(Andrew Griffith.)

This amendment would ensure that NC18 applies in the case of the Listing Authority Advisory Panel (which is a new panel required by clause 38 of the Bill).

Clause 39

INSURANCE PRACTITIONER PANEL

Amendment made: 13, page 54, line 7, at end insert—

“(6) Subsections (4) and (5) are subject to section 2LA.”—(Andrew Griffith.)

This amendment would ensure that NC18 applies in the case of the Insurance Practitioner Panel (which is a new panel required by clause 39 of the Bill).

Clause 40

COST BENEFIT ANALYSIS PANELS

Amendments made: 14, page 54, line 38, at end insert—

“(8A) Subsections (7) and (8) are subject to section 1MA.”

This amendment would ensure that NC18 applies in the case of the FCA Cost Benefit Analysis Panel (which is a new panel required by clause 40 of the Bill).

Amendment 15, page 55, line 29, at end insert—

“(8A) Subsections (7) and (8) are subject to section 2LA.”—(Andrew Griffith.)

This amendment would ensure that NC18 applies in the case of the PRA Cost Benefit Analysis Panel (which is a new panel required by clause 40 of the Bill).

Clause 45

APPLICATION OF FSMA 2000 TO FMI FUNCTIONS

Amendment made: 16, page 67, line 39, at end insert—

“Other reports

33A Paragraph 21A of Schedule 1ZB (other reports by PRA) applies in relation to the Bank, but as if—

- (a) the reference in sub-paragraph (1)(a) to paragraphs (a) to (f) of paragraph 19(1) were a reference to those paragraphs as substituted in relation to the Bank under paragraph 33 of this Schedule;
- (b) the reference in sub-paragraph (1)(b) to such other matters were a references to such other matters so far as relating to the exercise of the Bank's FMI functions;
- (c) the reference in sub-paragraph (5)(b) to section 348 were a reference to that section as it applies in relation to the Bank under paragraph 23 of this Schedule.”—(Andrew Griffith.)

This amendment confers a power on the Treasury to require the Bank of England to publish information at any time on any requested matters, in addition to the current requirement to provide an annual report to the Chancellor of the Exchequer. Paragraph 21A of schedule 1ZB to the Financial Services and Markets Act 2000 is inserted by NC17.

Schedule 6

DIGITAL SETTLEMENT ASSETS

Amendment made: 17, page 141, line 25, at end insert—

““digital settlement asset exchange provider” has the meaning given by section 182(5B) of the Banking Act 2009;.”—(Andrew Griffith.)

This amendment adds a definition of digital settlement asset exchange provider to section 110 of the Financial Services (Banking Reform) Act 2013. Paragraph 4 of Schedule 6 to the Bill amends the Banking Act 2009 to insert new section 182(5B).

Schedule 7

ACCOUNTABILITY OF THE PAYMENT SYSTEMS REGULATOR

Amendment made: 18, page 149, line 30, at end insert—

“11A In Schedule 4, after paragraph 7 insert—

“Other reports

7A (1) The Treasury may (subject to this paragraph) at any time by direction require the Regulator to publish a report containing information about such matters as are specified in the direction.

(2) The Treasury may give a direction under this paragraph requiring information to be published only if the Treasury consider that—

- (a) the information is reasonably necessary for the purpose of reviewing and scrutinising the discharge of the Regulator's functions, and
- (b) other available information is not sufficient to meet that purpose.

(3) Subject to sub-paragraph (4), the Regulator must publish a report prepared under a direction given under this paragraph in such manner, and within such period, as the direction may require.

(4) Nothing in this paragraph requires the inclusion in the report of any information whose publication would be against the public interest.

(5) A direction under this paragraph may not—

- (a) require a report to be published more than once in each quarter;
- (b) require the publication of information that is confidential information as defined by section 91(2).

(6) The Treasury must consult the Regulator before giving a direction under this paragraph.

(7) In exercising the power under this paragraph, the Treasury must have regard to the desirability of minimising any adverse effect that the preparation of the report required in accordance with the direction may have on the exercise by the Regulator of any of its other functions.

(8) The Treasury must—

(a) lay before Parliament a copy of a direction given under this paragraph, and

(b) publish the direction in such manner as the Treasury think fit.

(9) A direction under this paragraph may be varied or revoked by the giving of a further direction.”—(*Andrew Griffith.*)

This amendment confers a power on the Treasury to require the Payment Systems Regulator to publish information at any time on any requested matters, in addition to the current requirement to provide an annual report to the FCA.

Third Reading

6.43 pm

Andrew Griffith: I beg to move, That the Bill be now read the Third time.

It has been a privilege to lead on this Bill's progression through the House, and I extend my thanks to hon. Members on both sides for their collaborative engagement, challenge and scrutiny. I extend particular thanks to the Chairs of the Public Bill Committee, my right hon. Friend the Member for Basingstoke (Dame Maria Miller) and the hon. Member for Ealing, Southall (Mr Sharma). On the Opposition Benches, I extend my particular thanks to the hon. Members for Hampstead and Kilburn (Tulip Siddiq), for Wallasey (Dame Angela Eagle), for Kingston upon Hull West and Hessle (Emma Hardy), for Glenrothes (Peter Grant) and for West Dunbartonshire (Martin Docherty-Hughes) for the constructive way in which they have approached the scrutiny of this Bill and for their support where they felt it was appropriate.

On the Government side, I am particularly grateful for the contributions from my hon. Friend the Member for West Worcestershire (Harriett Baldwin), who was plucked from the Bill Committee to her position as Chair of the Treasury Committee, and my hon. Friends the Members for Wimbledon (Stephen Hammond), for North Warwickshire (Craig Tracey) and for Hastings and Rye (Sally-Ann Hart). I also pay tribute to my predecessors, my right hon. Friend the Member for Salisbury (John Glen) and my hon. Friend the Member for North East Bedfordshire (Richard Fuller), for their efforts to prepare and introduce this Bill.

The Bill is a culmination of more than 30 consultations published by the Government over many years and follows extensive engagement. I thank all the stakeholders with whom we have consulted. Before the Bill moves to the other place, I wish to extend my thanks to the significant number of Treasury officials and lawyers for their work in preparing such a substantial Bill, my parliamentary counsel, the witnesses who gave evidence to the Public Bill Committee, the parliamentary Clerks, in particular Bradley Albrow, without whose efforts we would not have got to this point, and those who have helped Members of the Opposition support their work on this Bill.

Finally, as is customary, I wish to thank the Bill team from the Treasury: Matt Molloy, Ciara Lydon, George Guven, Nicola O'Keefe, Charlotte Bennett, Mathilde Durand-Delacre, Maithili Jayanthi, Rohan Lee, Catherine McCloskey and my assistant private secretary, Harry Coloe, who have supported me throughout this process.

We have already discussed at length the significance of this Bill. It is important to remember that our scrutiny does not end with the Bill moving on to the Lords. When the Bill receives Royal Assent, it will kickstart a wide-ranging and ambitious programme of secondary legislation and regulator rules to replace retained EU law, get back our freedoms and move to a comprehensive, domestic model of regulation. I look forward to seeing this important piece of legislation come into force. I commend the Bill to the House.

6.46 pm

Tulip Siddiq: Despite some of the disappointments in the Bill, which I have outlined to the Minister in great detail, the Opposition support this important piece of legislation, as he will know. It will enable the UK to tailor financial services regulation from insurance to fintech to meet the needs of our economy. At the risk of sounding like an Oscar-winning speech, there are a few people whom I need to thank as well. People will know that, in Opposition, we do not have a whole team of civil servants working behind us. I must thank Mark Hudson in my team, who has worked really hard to make sure that I understand each and every aspect of the Bill. I wish to thank TheCityUK and UK Finance for their help and the Finance Innovation Lab for its advice on the Bill.

I thank, too, Lloyds, Santander, Barclays, HSBC, NatWest and Starling for setting out the dangers posed by the new forms of fraud, and the Building Societies Association and Nationwide for their help with my mutuals and co-operatives amendments. I also thank the Association of British Insurers, Phoenix, the Investment Association, Hargreaves Lansdown and TISA for their help on green finance and personalised financial guidance.

I also want to say thank you to all the Conservative MPs who served on our Committee, which, I think the Minister will agree, was a very good Committee, as we got through quite a lot of detail. I thank my hon. Friends the Members for Blaydon (Liz Twist), for Wallasey (Dame Angela Eagle), for Kingston upon Hull West and Hessle (Emma Hardy) and for Mitcham and Morden (Siobhain McDonagh) for their support on the Public Bill Committee and for their co-operation as well.

Finally, in my 10 months as shadow Economic Secretary to the Treasury, I have shadowed three Economic Secretaries, all of whom were very helpful when it came to this Bill. Let me just mention them. They are: the right hon. Member for Salisbury (John Glen), who is not in his place right now, but who was very helpful when I first took on the role; the hon. Member for North East Bedfordshire (Richard Fuller), who is also not in his place; and, of course, the current Minister whom I thank. This is a complex and wide-ranging Bill. The Minister and I spent an enormous amount of time together, but I think he will know that Labour supports both this Bill, and the opportunities for the City to thrive after we leave EU regulations. I hope the Minister knows that, overall, I have enjoyed working with him.

6.48 pm

Peter Grant: I endorse and share the thanks of both the previous speakers to all those who have helped the democratic process to happen. Obviously, we are not particularly happy about the results of some of the votes, but that is what happens in life. If we go back to the day before this Bill got its First Reading, we will see that the six Treasury ministerial posts have been held by 21 different people. Who knows, we might have the same Minister on the Front Bench by the time the Bill comes back from the Lords, but I would not bet on it.

Among the people I want to thank personally are my very good and hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes), who did such a power of work on his own in the Bill Committee, and someone who will not be a well-known name to most people here, although those of us who know her will understand she has been an absolute star, and that is Sarah Callaghan of the SNP research team. She joined a very good research team not long ago and she has been a fantastic support to me and my colleagues in preparation for this Bill, so I say thanks to Sarah.

I thank the Minister for the courtesy he has shown throughout political debates in which we have not always agreed, but in which I hope we have always been able to be courteous to each other. We will not oppose the Bill; we have reservations about it, but on balance it is just about good enough to get through.

Madam Deputy Speaker (Dame Eleanor Laing): I pause, lest there be further excitement—but no.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

HEALTH CARE AND ASSOCIATED PROFESSIONS

That the draft Dentists, Dental Care Professionals, Nurses, Nursing Associates and Midwives (International Registrations) Order 2022, which was laid before this House on 11 October, be approved.—(*Robert Largan.*)

Question agreed to.

PETITION

Park Homes Energy Support

6.50 pm

Anne McLaughlin (Glasgow North East) (SNP): Park homes, by their nature, have commercial suppliers, but many park homes are not holiday homes. They do not have holiday homes or facilities such as pools, restaurants and bars, but they do have people living in their permanent homes there. They have a main meter with sub-meters coming from it, which the park home owner will read and then split the bills. Because it is a commercial rate, that rate is extremely high. The Government have capped domestic use at 34p per kWh, but for my constituents in park homes, the rate is an eye-watering 78p per unit for electricity. I do not think anyone will disagree that that is just fundamentally unfair.

The petition states:

The petitioners therefore request that the House of Commons urge the Government to provide tailored relief directly to permanent residents of Park Homes; further urges the Government to work with regulators and energy providers to ensure that permanent residents of Park Homes are given the opportunity to switch to individually metered supplies at domestic energy rates at no cost.

And the petitioners remain, etc.

[Following is the full text of the petition:

To the House of Commons.

The Petition of residents of the United Kingdom

Declares that permanent residents of Park Homes, by virtue of the method in which their energy is provided through a single commercial meter, which is subsequently distributed amongst residents, are facing unprecedented energy costs; notes that the owners of Park Homes will receive support via the Energy Bill Relief Scheme and, by legislation yet to be introduced, will be required to pass this directly to residents; notes that the relief provided through the Energy Bill Relief Scheme is significantly less than that offered to domestic customers; further notes that residents of Park Homes are subject to commercial rates for their energy and pay substantially more per unit than domestic customers.

The petitioners therefore request that the House of Commons urge the Government to provide tailored relief directly to permanent residents of Park Homes; further urges the Government to work with regulators and energy providers to ensure that permanent residents of Park Homes are given the opportunity to switch to individually metered supplies at domestic energy rates at no cost.

And the petitioners remain, etc.]

[P002785]

Foetal Valproate Spectrum Disorder: Fatalities

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

6.2 pm

Caroline Nokes (Romsey and Southampton North) (Con): I start by expressing my thanks to Mr Speaker for granting this Adjournment debate. It is not the first time we have debated the issue of foetal valproate spectrum disorder in this House or in Westminster Hall, but this time we have added fatalities to the title of the debate. It is stark, and deliberately so, because this year for the first time a coroner has listed it as a contributing factor to a death.

Jake Aldcroft was just 21 when he died in April this year after an infection triggered by problems with his kidneys. The coroner listed foetal valproate syndrome as a contributing factor to his death because of the physical damage done to Jake as an exposed baby, which meant that his bowel and bladder did not work properly and he relied on urostomy and colostomy bags. He had also suffered brain swelling that needed a drain. Jake did not experience pain in the normal way, which would have triggered the alarm sooner. That meant that when he arrived at hospital he collapsed and deteriorated quickly. His mum, Sharon Aldcroft, has been clear that she was never warned about the dangers of valproate when she took it while pregnant with Jake, who was diagnosed with FVSD as a baby.

Christian Wakeford (Bury South) (Lab): I thank the right hon. Lady for raising this important topic. The fact that the warnings are still not being displayed on pharmacy prescriptions is truly shocking and needs to be corrected. Does she agree that if there is one clear message we can send from this House, it is that doctors and chemists need to be doing what they should be doing and warning any patient of the risks of this drug?

Caroline Nokes: Of course, the hon. Gentleman is right. One of the serious issues to do with sodium valproate has been the lack of warning and information provided to women of child-bearing age.

I have highlighted Jake's case, with the permission of his mum, because it gives a stark description of some of the very severe problems FVSD can cause for affected babies, and because, as far as I know, it is the first time that it has been listed as a contributory factor to a death. But the horror for many families is that they have to do everything they can to avoid infection and to manage really complex and difficult conditions because they know that, like Jake, their children are vulnerable and could, ultimately, also lose their lives to this totally avoidable syndrome.

Jim Shannon (Strangford) (DUP): I congratulate the right hon. Lady. She takes part in many of the same debates as me, when we often stand together, and we stand together in this one as well. Does she not agree that the fact that up to 20,000 births have been affected by the drug means that we have waited an awfully long time to react to the dangers in pregnancy? That is the terrible lesson that so many have suffered, and it reinforces the fact that we must act on the side of caution and, what is more, admit our mistakes and appropriately compensate those living with the effects of that negligence.

Caroline Nokes: I thank the hon. Member for that intervention. I remember being in this Chamber when a predecessor of my hon. Friend the Minister made a full apology in line with the recommendations of the Cumberlege report. Unfortunately, not all of that report's recommendations have been implemented for some issues, which I will move on to shortly.

I know that I do not have to rehearse this with the Minister because she has been there—and indeed in Westminster Hall—when we have debated this issue before. There have been many debates, statements and urgent questions on this issue and on the related matters of vaginal mesh and hormone pregnancy testing, but this is the first time the syndrome has been found by a coroner to have contributed to a young person's death—a child's death.

As the Minister will know, foetal anti-convulsant syndrome is a serious condition in which a baby suffers physical and/or developmental disability from his or her mother taking sodium valproate. Those disabilities can vary and will include minor and major malformations ranging from deformities just of fingers and toes to major physical disabilities such as spina bifida, malformed limbs, skull and facial malformations and malformations of the internal organs.

Christian Wakeford: I thank the right hon. Lady for giving way a second time. We have also recently heard that foetal valproate syndrome can be passed down the generations, so the very unfortunate victim of that awful illness can pass it on to their children as well. Although that has been confirmed only recently, we need to ensure that people are warned about the knock-on effects. Up until probably a couple of weeks ago, no one really knew about that.

Caroline Nokes: The hon. Gentleman makes an important point. The illness can continue down the generations, and that is not yet well understood but it is causing real fear for the families who have been affected so far.

Additionally, problems can include learning disabilities, autism spectrum disorder, delayed walking and talking, speech and language difficulties, and memory problems. It is a long list, and it has now been listed as directly attributing to the death of a young person.

Way back in 2018, the Government commissioned the independent medicines and medical devices review, chaired by the noble Baroness Cumberlege, and its "First Do No Harm" report was published in 2020. That excellent piece of work had nine significant recommendations, some of which have been implemented, some of which have not—or not effectively. As the noble Baroness pointed out, many thousands of women of child-bearing age who suffer from epilepsy are still being prescribed sodium valproate.

Since 2018, when the pregnancy prevention programme was introduced, only 7,900 women are believed to have switched from valproate, which means that today approximately 20,000 women taking valproate are at risk of becoming pregnant. Information from the Medicines and Healthcare products Regulatory Agency indicates that of those 20,000 women, roughly one in three will have a pregnancy. That means that about 400 pregnant women a year have been exposed to valproate and that, of those 400 pregnancies, about one in two will have a child affected to some extent by foetal valproate syndrome.

Cat Smith (Lancaster and Fleetwood) (Lab): I congratulate the right hon. Member on securing this debate on such an important issue. She is touching on the issue of women currently taking sodium valproate when they are of child-bearing age and the number of pregnancies we are still seeing. While more needs to be done with GPs to ensure that these women understand the risks and that there are pregnancy prevention plans, does she agree that it is important to say that any women listening to our debate this evening should keep taking their medication until they have had that conversation with a GP, because sodium valproate is also a lifesaving drug?

Caroline Nokes: The hon. Lady is absolutely right, and I will come on to say that none of us is advocating that valproate be banned.

7 pm

Motion lapsed (Standing Order No. 9(3)).

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

Caroline Nokes: I will go on to say how important valproate is and how it is imperative that women keep taking the medication, but they need to do so in collaboration with their GP and in discussion with consultants—they need to do so being aware of the risks.

According to the MHRA's chief safety officer, around three babies are being born every month having been exposed to valproate in pregnancy, although *The Sunday Times* has estimated the numbers to be double that, at six per month. I pay particular tribute to *The Sunday Times*, which has worked alongside families and campaigners, such as the Independent Fetal Anti-Convulsant Trust, or INFAC, to make sure that this scandal does not get brushed to one side and forgotten about.

As the hon. Member for Bury South (Christian Wakeford) indicated, new information suggests that valproate will affect their children too. Those mothers who already feel a sense of guilt that their medication has harmed their children now live in fear that it will impact their grandchildren too. Put simply, it is a health disaster that is not going to go away.

Alongside other Members, I recognise the importance of sodium valproate as a drug to control epilepsy. It is crucial for some patients where other drugs have proven ineffective. At no point have I, or the APPG that I co-chair with the hon. Member for Lancaster and Fleetwood (Cat Smith), or INFAC called for it to be withdrawn, but the controls have to be more effective. We have to do better with the pregnancy prevention programme, and we have to do better at providing the necessary information to women of child-bearing age.

The pregnancy prevention programme is just not working adequately. Information to women is not getting through. Drugs are still being dispensed in plain packaging, without the required warning notices. Many women are still highlighting through the media, through campaign groups and to their Members of Parliament that they were not warned, that they have become pregnant and then, only at that point, have they been told of the possible danger to their baby and advised to have an abortion. First-time mums excited at finding they are pregnant are advised to have an abortion. I know that the Minister, my hon. Friend the Member for Lewes (Maria Caulfield), will find that abhorrent.

There are drugs for other conditions where I have seen far more radical and determined pregnancy prevention programmes. I have previously identified Roaccutane, where women prescribed it have to have long-acting contraception and produce a negative pregnancy test before they can collect a monthly prescription, not to mention sit with a consultant and go through a very detailed explanation of foetal abnormalities and be given a form to sign stating they will have a termination if they get pregnant. That might sound draconian in the case of valproate, but it would at least mean that every woman prescribed the drug would have had the risks spelled out very clearly.

For thousands of families, the damage has been done. At this point, I pay tribute to Emma Murphy and Janet Williams of the INFAC campaign group, who are the women who have kept up the pressure on Government. They are the ones who have kept digging for information on what was known by the authorities and how long ago. They are the ones who persuaded my right hon. Friend the Chancellor of the Exchequer, when he was Chair of the Health and Social Care Committee, to launch an inquiry into the use of sodium valproate, which *The Sunday Times* has described as a scandal bigger than thalidomide. Why is it a scandal bigger than thalidomide? Because it is still happening. Those babies are still being born to parents who have simply not had the level of warning and practical prevention measures that they need.

That brings me to redress and recommendation 4 of "First Do No Harm". I know that successive Ministers have decided that redress should come via the courts and medical negligence claims, but I would like us all to reflect a little on that and the added strain it puts on families already caring for a disabled child or, in some cases, children—children who we now know can have their death caused by foetal valproate syndrome.

We know that the costs of caring for a disabled child are high. We know that in this cost of living crisis the energy costs for any family living with a disabled child will be higher. We know that in terms of physical effort and mental anxiety it is simply harder to look after a disabled child. We also know, unequivocally, that the dangers of valproate were known the best part of 50 years ago, so it is especially tough and insensitive to suggest to those same families that redress should be via a courts system that is itself under immense strain and subject to delays.

The noble Baroness recommended in her review not only that an independent redress agency be set up, but that there be separate schemes for the three medicines or devices covered. Specifically, recommendation 4 states:

"Separate schemes should be set up for each intervention—HPTs, valproate and pelvic mesh—to meet the cost of providing additional care and support to those who have experienced avoidable harm and are eligible to claim."

To my mind, the specific relevance here is around the additional care needed, which we all acknowledge, and the bare fact of avoidable harm.

I have three asks of the Minister, and I look forward to her response. The first is for an acknowledgement that sodium valproate has contributed to a death. A young person has died avoidably, and we need the Government to reflect on the very serious conditions that too many babies were exposed to the risk of. What additional controls does she think should be put in place in the light of the knowledge that valproate has caused a young man to lose his life?

[*Caroline Nokes*]

Secondly, the pregnancy prevention programme needs to be more effective. Some 200 babies are at risk every year. Is the Minister satisfied that the programme is adequately effective and that the information is properly communicated to women of child-bearing age? If not, what more is she planning to do?

Finally, we need redress. Back in 2019, the disability equality charity Scope reported that a family with disabled children faces average extra costs of £581 a month. That was three years ago. Fuel inflation and food price inflation have increased since then, and the stark reality is that families with disabled children are struggling. These children were, in the words of the “First Do No Harm” report, “avoidably harmed”. It is no sort of redress to suggest that those struggling families resort to the courts.

My suggestion to the Minister, who I believe is dedicated to her job, works extremely hard and can be very persuasive, is the following.

Christian Wakeford: Will the right hon. Member give way?

Caroline Nokes: I will, one final time.

Christian Wakeford: I thank the right hon. Member for giving way a third time. As we know, both Emma and Janet have unfortunately been blacklisted by the Department of Health and Social Care, so if I could be so bold as to suggest another recommendation, it would be that they are never blacklisted again, to ensure that their voices are listened to, and the voices of those children and mothers are constantly heard.

Caroline Nokes: The hon. Gentleman makes an important point, but I am absolutely confident that the Minister will be very pleased to meet both Janet and Emma. I look forward to her agreeing to do so from the Dispatch Box.

My final point to the Minister is this: the Chancellor of the Exchequer, when he was Chair of the Health and Social Care Committee, was incredibly active on this issue. He launched the inquiry when he was still the Chair. His successor, my hon. Friend the Member for Winchester (Steve Brine), is equally committed and is continuing with the inquiry, and both Janet Williams and Emma Murphy will give evidence to the Committee next week. I would like the Minister to use her powers of persuasion and ability to convince the Chancellor of the Exchequer that he needs to keep going on this issue. He is now in a position where he could put in place the finances to allow a redress scheme to be set up. I urge her to persuade him to do just that.

7.9 pm

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): I congratulate my right hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) on securing this important debate on fatalities relating to foetal valproate spectrum disorder. We all know the devastating effect that the drug can have during pregnancy, which is why we took seriously the recommendation in Baroness Cumberlege’s report. I have met the campaigners, Janet and Emma, when I was previously a Minister and since being reappointed—I can confirm that they are definitely

not blacklisted by the Department. I look forward to meeting them again shortly to hear the concerns that they still have, which my right hon. Friend set out well this evening.

To reaffirm what the hon. Member for Lancaster and Fleetwood (Cat Smith) said, we all know that sodium valproate can be a highly effective drug that is used to manage and treat epilepsy as well as other disorders, such as bipolar disorder and migraines, often when many other medications do not work or have stopped working. It is absolutely right to say that if a woman is on sodium valproate, it is crucial that they do not stop that medication suddenly but discuss it with their GP.

We know that there are teratogenic side effects that mean that, if taken during pregnancy, sodium valproate can have harmful effects on a foetus and increase the risk of a child being born with physical defects and neurodevelopmental disorders. In relation to the point made by my right hon. Friend the Member for Romsey and Southampton North about possible death, I do not know about that specific case but I am happy to ask officials to go away and look at it, because that would be an important development.

The risk of birth defects following the use of sodium valproate is about 11%, but with a high maternal dose, the risk can increase to 24%. There are significant risks of taking that drug and effects on babies once they are born.

Cat Smith: I thank the Minister for the time that she makes available for the subject, which is much appreciated. While she is on the topic of the percentage risk of harm to the unborn baby, at that stage in pregnancy, many women and couples have a very much wanted pregnancy, which is perhaps planned for and longed for, but are suddenly advised by a doctor to terminate it. Does she agree that that tragedy needs to end? We need to come together to ensure that pregnancy prevention plans really work.

Maria Caulfield: I absolutely agree with the hon. Lady, and I will come on to some of the changes that are being made on that point. When I have met Janet and Emma, they have very much represented women who feel that those risks were not explained and that if they had known, they would have been on contraception or spoken to their team about stopping the medication before getting pregnant. Often, those are women with complex epilepsy for whom pregnancy is a difficult enough decision in the first place.

We have known for a long time that the drug should not be used by any woman or girl who can have children, unless they are in the proper pregnancy prevention programme. That is why, in 2018, the programme was introduced to reduce and prevent the number of pregnancies, which was high at the time, in women taking the drug. Being part of the programme means that women are supposed to have an annual review by a specialist, but I have concerns and have heard from campaigners that that does not always happen and is not always the case. There is also the valproate registry, which has now been created so that we can track every woman who is taking that medicine and ensure that the records of when they are prescribed it, when it is dispensed and what is happening to them are followed through, which has never happened before.

The programme is designed to make sure that, each year, those women have a discussion with their health team, so should they wish to become pregnant, they can get that advice there and then. When I was in this post previously, I had concerns about the overview of the register, the annual checks and some of the other safeguards around the dispensing and packaging of the drug, which have been touched on. That is why we have reviewed the programme.

I have met the MHRA, which has taken both campaigners' and my concerns very seriously. It is looking at the programme, and it will be making an announcement shortly on stronger advice to GPs, but also to pharmacists, about some of the technical issues with dispensing medication, and on some safeguards we need in place so that women—once again, whether they mean to get pregnant or happen to get pregnant—have the advice they need and the reminder on the packaging when they pick up their medication.

The registry tracks all women in England who are taking the prescribed valproate, and it identifies if they become pregnant are accessing care for pregnancy. We can track pretty accurately when pregnancy happens, so we have a handle on how many women are getting pregnant while on the medication. I can reassure the House that the numbers are falling. They are still too high in my view, but they are falling. In the six-month period from April to September 2018 68 women prescribed valproate became pregnant, and from October 2021 to March 2022 that number fell to 17 women. That is still 17 women too many, although we are making progress in reducing that number of pregnancies, but that is why the MHRA is looking at further safeguards for prescribing and dispensing such medicine. It will be making that announcement fairly soon.

A national clinical audit is being undertaken by all community pharmacy contractors, as agreed with NHS England and the Pharmaceutical Services Negotiating Committee, which will measure adherence to current MHRA regulations. The audit will look at whether all patients are provided with a patient card and a patient guide every time the medicine is dispensed. It will also look at whether patients who are supposed to be getting a review every 12 months actually are, and what then happens to them if they are being signposted for additional advice.

I am appearing before the Health and Social Care Committee next week to go through the Cumberlege review on its anniversary and follow up on the progress that has been made. This week, I have met the new patient safety commissioner, Henrietta Hughes, who has also met Janet and Emma, and the issue of valproate is one of her key priorities in her first few weeks in post. I have discussed with her my concerns about its dispensing and packaging, and about the monitoring of women, including whether they are getting the advice they need for a planned pregnancy or, if they are not planning to get pregnant, whether they have had reliable advice and discussion about contraception. I plan to meet the patient safety commissioner on a regular basis to make sure that the measures in place are actually reducing the number of those pregnancies and providing women with the support and information they need.

The Department and the MHRA are consulting on a proposal that medicines containing sodium valproate should always be dispensed in the original

manufacturer's packaging. This would ensure that patients, particularly women and girls of child-bearing age, always receive the patient information leaflet about the medicine they are taking. We will shortly publish a response to that consultation, and we will keep Members updated.

To touch on the issue of redress, it was not one of the recommendations accepted in the original response to Baroness Cumberlege's report. However, last year I was concerned about the issues, which my right hon. Friend the Member for Romsey and Southampton North raised, for women seeking legal advice and taking on the huge challenge of getting compensation. What we have done as an interim measure is to work with NHS Resolution to launch a claims gateway, so that individual women can go to NHS Resolution and get their individual case looked at and be provided with support if they want to make a claim, without having to go independently to solicitors and lawyers. That has only just started, and we are looking at how effective it is in helping women get access to some of the compensation they feel they need. However, in my conversations with the patient safety commissioner I have asked her to look at what a potential redress scheme could look like. I am not going to make commitments on that from the Dispatch Box because it is not necessarily my decision to make—that would have to be in discussion with the Chancellor—but I am keen to look at what a redress scheme would look like, and I will follow up on that with the patient safety commissioner and see what is possible. I hope I have been able to reassure colleagues.

Cat Smith: Will the Minister commit on the Floor of the House this evening that after she has had conversations with the commissioner about the possibilities of the scheme she will talk to the Chancellor or someone from his team about the recommendations and how they might be implemented?

Maria Caulfield: I have had those discussions about what a scheme could look like with the patient safety commissioner only this week. I will need to see the details, but I hope that reassures the House that I am listening to the concerns of parliamentarians and campaigners such as Emma and Janet, who represent a huge number of affected women. I understand the situation they are facing: they have lifetime costs for their children through no fault of the women or the children. They took that medication not realising the effect it could have. We now have that information, but we did not know it at the time. My commitment is that I am exploring options and will update the House on that later.

I want to reassure the House once again that we take very seriously the safety issues around this drug. It is an important drug in the management of epilepsy, and for some women it is the only way of managing their condition, but we need to make sure that women are aware of the implications of taking such a drug during pregnancy, that they are monitored annually to make sure those discussions are ongoing, and that every time their medicine is prescribed and dispensed that message is reinforced. We are reducing the numbers involved, which is great news, but we need to make sure they go even lower, and we need to look at how we support women who have been affected through no fault of their own.

[*Maria Caulfield*]

We will be giving evidence at the Health and Social Care Committee next week. I think I am also meeting the hon. Member for Lancaster and Fleetwood shortly, and I am sure other parliamentary colleagues too. I just want to say that I want to support women who have been affected by taking sodium valproate and that we

are in listening mode on what more we can do to support them and make sure the help they need and the support for their children are at the forefront of our minds.

Question put and agreed to.

7.22 pm

House adjourned.

Deferred Divisions

LANDLORD AND TENANT

That the draft Agricultural Holdings (Fee) Regulations 2022, which were laid before this House on 20 October, be approved.

The House divided: Ayes 291, Noes 159.

Division No. 112]

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Allan, Lucy
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, rh Edward
Atherton, Sarah
Bacon, Gareth
Badenoch, rh Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baldwin, Harriett
Barclay, rh Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Campbell, Mr Gregory
Carter, Andy
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, rh Greg
Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
Clarke-Smith, Brendan
Clarkson, Chris
Coffey, rh Dr Thérèse
Collins, Damian
Courts, Robert
Coutinho, Claire
Crabb, rh Stephen
Crosbie, Virginia

Crouch, Tracey
Daly, James
Davies, rh David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Dame Caroline
Dines, Miss Sarah
Donaldson, rh Sir Jeffrey M.
Donelan, rh Michelle
Double, Steve
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, Sir James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Evennett, rh Sir David
Fabricant, Michael
Fell, Simon
Firth, Anna
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, rh Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Fysh, Mr Marcus
Gale, rh Sir Roger
Garnier, Mark
Ghani, Ms Nusrat
Gibson, Peter
Gideon, Jo
Girvan, Paul
Glen, rh John
Goodwill, rh Sir Robert
Graham, Richard
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Grundy, James
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Henderson, Gordon
Henry, Darren
Hinds, rh Damian
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Jayawardena, rh Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenrick, rh Robert
Johnson, Dr Caroline
Johnson, Gareth
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, rh Gillian
Knight, rh Sir Greg
Knight, Julian
Kruger, Danny
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Levy, Ian
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lightwood, Simon
Lockhart, Carla
Loder, Chris
Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mak, Alan
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
McCartney, Jason
McCartney, Karl
Mercer, Johnny

Merriman, Huw
Millar, Robin
Miller, rh Dame Maria
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Morton, rh Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Penning, rh Sir Mike
Penrose, John
Philp, rh Chris
Pow, Rebecca
Prentis, rh Victoria
Pritchard, rh Mark
Pursglove, Tom
Quin, rh Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rowley, Lee
Russell, Dean
Sambrook, Gary
Saxby, Selaine
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Simmonds, David
Skidmore, rh Chris
Smith, rh Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stephenson, rh Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Streeter, Sir Gary
Stride, rh Mel
Sturdy, Julian
Sunak, rh Rishi
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie

Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, rh Tom
Vara, rh Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Walker, Sir Charles
Walker, Mr Robin

Warman, Matt
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Sir John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Wood, Mike
Wragg, Mr William
Wright, rh Sir Jeremy
Young, Jacob

Nichols, Charlotte
Olney, Sarah
Onwurah, Chi
Oppong-Asare, Abena
Osborne, Kate
Owatemi, Taiwo
Owen, Sarah
Peacock, Stephanie
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Qureshi, Yasmin
Rayner, rh Angela
Rees, Christina
Reeves, Ellie
Reeves, rh Rachel
Rimmer, Ms Marie
Rodda, Matt
Russell-Moyle, Lloyd
Saville Roberts, rh Liz
Shah, Naz
Sharma, Mr Virendra
Siddiq, Tulip

Slaughter, Andy
Smith, Cat
Smith, Nick
Smyth, Karin
Streeting, Wes
Tami, rh Mark
Tarry, Sam
Thomas-Symonds, rh Nick
Thornberry, rh Emily
Timms, rh Sir Stephen
Trickett, Jon
Turner, Karl
Vaz, rh Valerie
Wakeford, Christian
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Yasin, Mohammad
Zeichner, Daniel

NOES

Abrahams, Debbie
Ali, Tahir
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, rh Jonathan
Barker, Paula
Benn, rh Hilary
Betts, Mr Clive
Blake, Olivia
Blomfield, Paul
Brennan, Kevin
Brown, Ms Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Burgon, Richard
Butler, Dawn
Byrne, Ian
Cadbury, Ruth
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Charalambous, Bambos
Cooper, Daisy
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Daby, Janet
Davey, rh Ed
David, Wayne
Davies, Geraint
De Cordova, Marsha
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Dixon, Samantha
Dodds, Anneliese
Doughty, Stephen
Duffield, Rosie
Eagle, Dame Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Farry, Stephen
Fletcher, Colleen
Foord, Richard
Foxcroft, Vicky

Foy, Mary Kelly
Gill, Preet Kaur
Glindon, Mary
Green, Sarah
Greenwood, Lilian
Greenwood, Margaret
Griffith, Dame Nia
Hamilton, Fabian
Hardy, Emma
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hillier, Dame Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hollern, Kate
Howarth, rh Sir George
Huq, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, rh Dame Diana
Jones, Darren
Jones, Gerald
Jones, rh Mr Kevan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kinnock, Stephen
Lavery, Ian
Leadbeater, Kim
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lynch, Holly
Madders, Justin
Mahmood, Mr Khalid
Malhotra, Seema
Maskell, Rachael
McCabe, Steve
McCarthy, Kerry
McDonald, Andy
McDonnell, rh John
McFadden, rh Mr Pat
McGovern, Alison
McKinnell, Catherine
Mearns, Ian
Miliband, rh Edward
Mishra, Navendu
Morden, Jessica
Morgan, Helen
Morris, Grahame
Murray, Ian
Murray, James
Nandy, Lisa

Question accordingly agreed to.

LOCAL GOVERNMENT

That the draft Combined Authorities (Mayoral Elections) (Amendment) Order 2022, which was laid before this House on 3 November, be approved.

The House divided: Ayes 289, Noes 12.

Division No. 113]

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Allan, Lucy
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, rh Edward
Atherton, Sarah
Bacon, Gareth
Badenoch, rh Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baldwin, Harriett
Barclay, rh Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara

Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Campbell, Mr Gregory
Carter, Andy
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, rh Greg
Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
Clarke-Smith, Brendan
Clarkson, Chris
Coffey, rh Dr Thérèse
Collins, Damian
Courts, Robert
Coutinho, Claire
Crabb, rh Stephen
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, rh David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davis, rh Mr David
Dinenage, Dame Caroline
Dines, Miss Sarah

Donaldson, rh Sir Jeffrey M.
 Donelan, rh Michelle
 Double, Steve
 Dowden, rh Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Edwards, Ruth
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibson, Peter
 Gideon, Jo
 Girvan, Paul
 Glen, rh John
 Goodwill, rh Sir Robert
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Hoare, Simon
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Knight, Julian
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lockhart, Carla
 Loder, Chris
 Logan, Mark (*Proxy vote cast
 by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 McCartney, Jason
 McCartney, Karl
 Mercer, Johnny
 Merriman, Huw
 Millar, Robin
 Miller, rh Dame Maria
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse

O'Brien, Neil
 Opperman, Guy
 Penning, rh Sir Mike
 Penrose, John
 Philp, rh Chris
 Pow, Rebecca
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Sambrook, Gary
 Saxby, Selaine
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Alok
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Streeter, Sir Gary
 Stride, rh Mel
 Sturdy, Julian
 Sunak, rh Rishi
 Swayne, rh Sir Desmond
 Symms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob

NOES

Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Cooper, Daisy
 Davey, rh Ed
 Farron, Tim
 Farry, Stephen
 Foord, Richard
 Green, Sarah
 Hobhouse, Wera
 Morgan, Helen
 Olney, Sarah
 Wilson, Munira

Question accordingly agreed to.

LOCAL GOVERNMENT

That the draft Local Authorities (Mayoral Elections) (England and Wales) (Amendment) Regulations 2022, which were laid before this House on 3 November, be approved.

The House divided: Ayes 289, Noes 12.

Division No. 114]

AYES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Allan, Lucy
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Bacon, Gareth
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baldwin, Harriett
 Barclay, rh Steve
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter

Bottomley, Sir Peter
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Burns, rh Conor
 Butler, Rob
 Campbell, Mr Gregory
 Carter, Andy
 Cates, Miriam
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Coffey, rh Dr Thérèse
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Dinanage, Dame Caroline
 Dines, Miss Sarah
 Donaldson, rh Sir Jeffrey M.
 Donelan, rh Michelle
 Double, Steve
 Dowden, rh Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Edwards, Ruth
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibson, Peter
 Gideon, Jo
 Girvan, Paul
 Glen, rh John
 Goodwill, rh Sir Robert
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Hoare, Simon
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Knight, Julian
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian

Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lockhart, Carla
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 McCartney, Jason
 McCartney, Karl
 Mercer, Johnny
 Merriman, Huw
 Millar, Robin
 Miller, rh Dame Maria
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Morrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Penning, rh Sir Mike
 Penrose, John
 Philp, rh Chris
 Pow, Rebecca
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Sambrook, Gary
 Saxby, Selaine
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Alok
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Streeter, Sir Gary
 Stride, rh Mel
 Sturdy, Julian
 Sunak, rh Rishi
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob

NOES

Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Cooper, Daisy
 Davey, rh Ed
 Farron, Tim
 Farry, Stephen
 Foord, Richard
 Green, Sarah
 Hobhouse, Wera
 Morgan, Helen
 Olney, Sarah
 Wilson, Munira

Question accordingly agreed to.

POLICE

That the draft Police and Crime Commissioner Elections and Welsh Forms (Amendment)

Order 2022, which was laid before this House on 1 November, be approved.

The House divided: Ayes 289, Noes 13.

Division No. 115]

AYES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Allan, Lucy
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, rh Edward
Atherton, Sarah
Bacon, Gareth
Badenoch, rh Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baldwin, Harriett
Barclay, rh Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Sir Graham
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Campbell, Mr Gregory
Carter, Andy
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, rh Greg
Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
Clarke-Smith, Brendan
Clarkson, Chris
Coffey, rh Dr Thérèse
Collins, Damian
Courts, Robert
Coutinho, Claire
Crabb, rh Stephen
Crosbie, Virginia
Crouch, Tracey

Daly, James
Davies, rh David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davis, rh Mr David
Dinenage, Dame Caroline
Dines, Miss Sarah
Donaldson, rh Sir Jeffrey M.
Donelan, rh Michelle
Double, Steve
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, Sir James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Evennett, rh Sir David
Fabricant, Michael
Fell, Simon
Firth, Anna
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, rh Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
Freer, Mike
French, Mr Louie
Fuller, Richard
Fysh, Mr Marcus
Gale, rh Sir Roger
Garnier, Mark
Ghani, Ms Nusrat
Gibson, Peter
Gideon, Jo
Girvan, Paul
Glen, rh John
Goodwill, rh Sir Robert
Graham, Richard
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Grundy, James
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Henderson, Gordon
Henry, Darren
Hinds, rh Damian
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Jayawardena, rh Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenrick, rh Robert
Johnson, Dr Caroline
Johnson, Gareth
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, rh Gillian
Knight, rh Sir Greg
Knight, Julian
Kruger, Danny
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Levy, Ian
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lockhart, Carla
Loder, Chris
Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
Longhi, Marco
Lopez, Julia
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mak, Alan
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
McCartney, Jason
McCartney, Karl
Mercer, Johnny
Merriman, Huw
Millar, Robin
Miller, rh Dame Maria
Mitchell, rh Mr Andrew

Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Morton, rh Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Penning, rh Sir Mike
Penrose, John
Philp, rh Chris
Pow, Rebecca
Prentis, rh Victoria
Pritchard, rh Mark
Pursglove, Tom
Quin, rh Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rowley, Lee
Russell, Dean
Sambrook, Gary
Saxby, Selaine
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Simmonds, David
Skidmore, rh Chris
Smith, rh Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stephenson, rh Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Streeter, Sir Gary
Stride, rh Mel
Sturdy, Julian
Sunak, rh Rishi
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael

Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Webb, Suzanne

Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob

Carmichael, rh Mr
 Alistair
 Chamberlain, Wendy
 Cooper, Daisy
 Davey, rh Ed
 Farron, Tim
 Farry, Stephen
 Foord, Richard

NOES

Green, Sarah
 Hobhouse, Wera
 Morgan, Helen
 Olney, Sarah
 Saville Roberts,
 rh Liz
 Wilson, Munira

Question accordingly agreed to.

Westminster Hall

Wednesday 7 December 2022

[MR PHILIP HOLLOBONE *in the Chair*]

Marine Renewables: Government Support

9.30 am

Mr Alistair Carmichael (Orkney and Shetland) (LD):
I beg to move,

That this House has considered Government support for marine renewables.

It is a pleasure to serve with you in the Chair, Mr Hollobone, and I am grateful to see a number of colleagues here this morning. I would like to place on record my appreciation, as ever, of the support that those of us who are part of the all-party parliamentary group on marine energy received in preparation for the debate, with very comprehensive briefings from RenewableUK, the UK Marine Energy Council and companies such as Orbital Marine Power and Nova Innovation.

I want to start by giving credit to the Government for the decision they took last year to introduce a ringfenced pot of £20 million for tidal stream generation as part of the contracts for difference allocation round 4. In particular, I want to place on record that the right hon. Member for Spelthorne (Kwasi Kwarteng), in his time involved with the sector, understood the opportunities for the United Kingdom presented by its development and used his time in office to drive policy in a way that has empowered the sector to develop, grow and continue to innovate as it proceeds along the road to full commercialisation. I fully appreciate that when the biographers eventually come to write the chapter on the right hon. Member's legacy, that may not be the headline, but it was a significant contribution that is understood and appreciated nevertheless.

The Government's decision last year unlocked investment in four projects this summer, as a result of which we will be able to obtain 41 MW of clean energy for United Kingdom households. Orbital Marine Power was awarded two contracts for difference totalling 7.2 MW of tidal energy deployments at the European Marine Energy Centre's Fall of Warness site in Orkney. SIMEC Atlantis secured 28 MW to further develop the MeyGen site in Caithness, and in Wales, Magallanes was awarded 5.6 MW for a tidal energy project at Morlais in Anglesey.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): I was delighted to have the opportunity to visit the European Marine Energy Centre in Orkney when I came to the right hon. Member's constituency a couple of years ago. The work done at EMEC is really important for delivering cheaper, greener energy. Does he agree that, in the light of the energy price crisis, this research could be vital for delivering affordable energy to Scottish homes and businesses?

Mr Carmichael: I very much agree, and I should acknowledge the support that the hon. Lady has given to EMEC over the years. I am grateful for the support

from across the political spectrum, all parties and none, and I will come on to talk quite a lot about EMEC later on.

It is worth reflecting for a second on how we have reached this point. Despite the fact that these are significant commercial enterprises—essentially competitors—the companies working in the sector have presented a united and strategic case to Government and investors. That has been enormously important, and since we still have some way to go, I hope that approach will continue. Trade bodies RenewableUK and the UK Marine Energy Council have also been critical in maintaining that unity of purpose and message, as has, in our own small way, the all-party parliamentary group on marine energy, under the chairmanship of the hon. Member for Gloucester (Richard Graham), who I am delighted to see in his place.

It is invidious to single out individuals when the story is one of team success, but the leadership that Neil Kermode has given as director of the European Marine Energy Centre in Stromness in Orkney has allowed that body to fulfil the role it was set up for almost 20 years ago. I do not think the Minister has yet visited EMEC, but he may wish to make his way there once we are through the winter and the days are slightly longer again, so that he can see for himself the work that has been done and continues to be done not just at EMEC but on the Heriot-Watt campus at the International Centre for Island Technology and the full range of private companies that have been established as spin-offs from these bodies.

I mention EMEC, and am keen for the Minister to visit, not just to give it the recognition it has earned, but to engage the Minister's attention in the issue of funding. EMEC's success has been built on Interreg funding, which was a dependable source of funding for as long as long as we were part of the European Union; it was an easy fit. Since we left the European Union, however, the shape of future support that replaces what came through Interreg is still not clear, and for EMEC that could soon become critical. My first ask of the Minister, therefore, is whether he will meet me and a delegation from EMEC so that we may identify future sources of funding.

The Government have now made a significant commitment to marine renewables through the fourth allocation round, and EMEC remains central to delivering the full potential of the Government's commitment. That may be in the Department for Business, Energy and Industrial Strategy or the Department for Levelling Up, Housing and Communities, or it may fall within the remit of the Scottish Government—perhaps it is some combination of them all—but having come so far we cannot now allow that critical operation to fall between the gaps of Government.

I hope this morning's debate will be an opportunity for us to stop and take stock of where we have got to, to explore some barriers that remain on the road to development and commercialisation, and to look forward to where we go from here—in particular, to what decisions we need to see made as we move towards the next round of contracts for difference allocation round 5.

It is worth reminding ourselves what is at stake. The United Kingdom has the potential to develop about 1 GW of tidal stream energy by 2035 and up to 11.5 GW by 2050. That is equivalent to over three times the generation capacity of Hinkley Point C. The costs of

[Mr Carmichael]

technology have fallen significantly in recent years. Analysis published by the Offshore Renewable Energy Catapult this autumn showed that that tidal stream can become not only a significant part of our future energy mix, but a cost-competitive one. If the sector is supported, by 2035 tidal stream could provide power at £78 per megawatt-hour; compare that to Hinkley Point C at £92.50 per megawatt-hour. By 2042 that figure could be £60 and by 2047 we could be looking at something in the region of £50. That is about £10 per megawatt-hour more than wind and solar today but, importantly, without the challenges of unpredictability.

The real opportunity that comes from the development of tidal stream power in particular is the chance to develop the baseload capacity that will be so important and to remove the intermittency of renewables. For so long the missing link has been the funding that would give wave and tidal energy the chance to develop commercially, and, as we know from other renewable technologies, once the process of the commercial roll-out is under way, the costs fall like a stone.

Alan Brown (Kilmarnock and Loudoun) (SNP): I thank the right hon. Member for bringing forward this debate. He rightly makes the comparison with nuclear strike rates, but in doing so we should remember that the £92.50 strike price for Hinkley Point C is a 35-year contract, whereas tidal stream is a 15-year concession so it is even better value for money. Does he agree?

Mr Carmichael: That is a perfectly fair point. I make the comparisons, but I do not want to set one technology off against another; that is not in the interests of the industry. It is important that the figures are taken in the round when we look at getting value for money for the taxpayer.

Marine renewables is an industry that has the potential to support thousands of jobs across the United Kingdom—good-quality manufacturing jobs that bring with them the opportunities to grow an export industry, which would be an obvious route towards a just transition for many of those currently working in oil and gas. The oil and gas industry has been a critical part of the economy of the Northern Isles for the last 40 years, and I believe it will be a critical part of getting to net zero. Indeed, it is difficult to see how we could get there without having an industry on the UK continental shelf. The industry has a number of excellent apprenticeship programmes. When I talk to the young men and women who are undertaking those apprenticeships now, at the start of their career, I am struck by the fact that they tell me they believe that by the end of their working lives they will be working not in oil and gas, but in marine renewables.

David Duguid (Banff and Buchan) (Con): I congratulate the right hon. Member on introducing this important debate. I could almost have written his speech myself. Like other Members, I have had the pleasure of visiting his constituency and the European Marine Energy Centre, very impressive as it is, and I agree that the oil and gas sector and oil and gas companies, which have the technologies, the expertise and the capital, have a vital role to play in the energy transition.

Mr Carmichael: If the hon. Member wants to send me his CV, I will keep it on file for when I next have a vacancy for a speech writer. I am at risk of being too consensual, but he knows my views on this and we have to find a way to recognise that in energy security there is no silver bullet. Contributions will be made by all sectors on the journey towards net zero.

The Offshore Renewable Energy Catapult estimates that the UK's tidal stream industry could support 4,000 jobs by 2030 and 14,500 by 2040. Those high-wage, high-value jobs would be focused on coastal areas. UK tidal stream projects use an average 80% UK content in the world-leading arrays, creating supply chain with high rates of return on public investment. As with offshore wind, the supply chain is widely dispersed across the UK—for example, Leask Marine is a vessel charter, commercial diving and international marine construction service based in Kirkwall, but it operates around the world.

Being the world leader in developing tidal stream technologies, the UK is well placed to capitalise on exports to future global markets, including Canada and Japan, in which the sector has already secured export orders. Nova Innovation has a presence in Shetland, but, from its Edinburgh base, it is already working to export to Nova Scotia and Canada—part of a 15-turbine order.

Marine energy provides a particularly competitive solution for countries with islands or remote populations that depend on expensive and polluting diesel generation. The energy innovation needs assessment of tidal stream, commissioned by the Minister's Department, estimated that growth of UK tidal stream exports could add more than £540 million gross value added and nearly 5,000 jobs per annum by 2050.

I hope the House will forgive me for labouring the point, but that is the potential that sits within our grasp. That is where we want to get to. The question, then, is how. The marine renewables sector has a number of clear and well-formed asks of the Government, one short term and three for the longer term. The most immediately important is the need for an early indication of the Government's intentions with regard to the continuation of the ringfenced pot for tidal stream in their upcoming contracts for difference allocation round 5.

The creation of that £20 million pot has been enormously important to unlocking private sector finance for the sector, and the sector itself has been able to be creative in the financial instruments it has devised to take advantage of that. Maintaining that investor confidence is critical, and an early and positive announcement on allocation round 5 is essential for that confidence. I would be delighted to hear something about that from the Minister today, although I am prepared to be realistic even though it is almost Christmas. However, an indication of when an announcement might be made would be welcome not just in the House, but in the wider industry.

In the longer term, the industry is looking for contracts for difference options to be reformed in a way that rewarded projects with significant UK content, which would enable it to trigger new manufacturing investment or support innovation in the supply chain. It also seeks a commitment from the Government to a target of 1 GW of marine energy by 2035. Again, that would give confidence to investors that the UK intends to remain the leader in tidal stream.

That 1 GW represents a significant threshold, because it is the point at which it is forecast that tidal stream is expected to become lower cost than new nuclear. The United Kingdom, Scottish and Welsh Governments should work together to expedite the process for new tidal stream sites to ensure development can continue at pace. Pace is important, and the Minister can use his office to work across Government and between Governments to remove some of the forces that are currently a drag on the pace of development.

In its briefing for this debate, Nova Innovation called for the speeding up of CfD timescales and consent processing for tidal stream sites. Section 36 consent, which is required to qualify for a CfD, takes at least three years. That is driven by the requirement for two years of bird and mammal surveys and the nine-plus months it takes to receive a consent decision—it is often much longer in practice. In contrast, the EU target is three months for renewable energy project consent. Section 36 is required only for onshore projects greater than 50 MW, but the offshore limit is 1 MW.

Overall, it takes at least six years from conception to the commissioning of a UK tidal energy site. That timeline is similar across the nations of the UK. In contrast, developers in Canada can go from a greenfield site to first power in two to three years. That puts the UK at a competitive disadvantage for project investment and we risk losing our lead in tidal energy. We should also increase the pace and scale of investment in the UK's electricity grid so it does not remain a constraint on renewable energy development.

EMEC provides state-of-the-art testing facilities for tidal stream and wave technologies. It plays a pivotal role in supporting the development of the UK's marine energy sector. The UK leads the way in marine energy as a result of our innovative UK tidal and wave companies, our well-developed project portfolio and our excellent natural resources. EMEC's activities have been made possible by the support it receives through EU structural funding—specifically funding from the EU Interreg programme. Between 2016 and 2020, that was £17.4 million.

Interreg projects account for 51.9% of EMEC's overall funding. Obviously, that funding will soon come to an end, so it is imperative that a clear replacement is established to secure its long-term future. The discontinuation of our participation in the EU Interreg programme has presented EMEC with a cliff edge in access to the grant funding supporting the operation and growth of the test centre.

EMEC is taking proactive steps to mitigate the lost funding from Interreg, but—let's be serious—it will not make good all the lost funds. Direct revenue funding of £1.5 million a year for four years to replace the Interreg gap will enable EMEC to preserve the high-quality jobs and the growth sector, supporting levelling up, protecting that internationally accredited and strategically located facility, and providing recognition as a national asset in pursuit of the UK's aspirations to be a global research and development superpower. It will allow EMEC to enable further growth and diversification in new technology areas, including wave and tidal array testing, green hydrogen integration, maritime and aviation decarbonisation, and floating offshore wind research and innovation, all with the aim of developing the domestic supply

chain and the manufacturing capability of UK plc as a whole in the pursuit of economic growth and reaching net zero.

The replacement of Interreg funding is something of a lonely child when it comes to Government responsibility; it seems to sit between a number of departmental responsibilities. Although the response today is from BEIS, I am aware that the Levelling Up Secretary has an important role. He will be coming to Orkney in January for the final signing of the much-welcomed islands growth deal, and I look forward to raising Interreg with him then if we have not been able to make progress beforehand. Officials in the Minister's Department have been fully apprised of the situation, so I hope we will be able to work together to ensure EMEC's critical work is allowed to continue and that the cliff edge in the funding set-up can be avoided.

The marine renewable sector's asks are far from extravagant. This is the time to capitalise on the lead that the sector has given us as a country, commit to the policies that will expand our reach and make tidal stream innovation the icon of the UK economy that we know that it can be.

Mr Philip Hollobone (in the Chair): The debate can last until 11 am, and I am obliged to call the Front Benches no later than 10.27 am. The guidelines are to allow 10 minutes for the SNP, 10 minutes for His Majesty's Opposition and 10 minutes for the Minister. Alastair Carmichael will have three minutes or so at the end to sum up the debate.

9.50 am

Richard Graham (Gloucester) (Con): I congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on securing this timely debate, and for his continued, strong advocacy for both marine energy in his constituency and the great work done by EMEC—which he has referred to—and, more widely, for the cause of marine energy across the United Kingdom. It is interesting that, in this small but passionate debate, we have representatives from constituencies across all parts of the United Kingdom; this is a sector that, in geographical terms, wonderfully complements the work that is being done on offshore wind on the east coasts of both England and Scotland.

I pay tribute—unusually, perhaps, in such a debate—to the Department. BEIS has played a huge role in recognising the value of tides and waves, and the cause of marine energy, to renewable energy made in the UK: it contributes to the energy baseload, domestic energy security, community sustainability—that is an aspect that should not be overlooked—and the creation of green jobs around the northern, western and southern coasts of our island. The work of the Department includes both officials, who have worked hard on the detail, and the commitment of Ministers. The right hon. Member for Orkney and Shetland may have referred to this, but that was epitomised by the visit of the previous energy Minister but two, my right hon. Friend the Member for Berwick-upon-Tweed (Anne-Marie Trevelyan), to EMEC in summer 2021, and by the commitment of the Secretary of State at the time—the former Chancellor, my right hon. Friend the Member for Spelthorne (Kwasi Kwarteng)—who was absolutely committed to the business of recognising that support for marine energy would be one of the best

[Richard Graham]

long-term investments that this country could make. Of course, the truth is that, in adding a separate pot in allocation round 4, the Department effectively moved from philosophical understanding of the issue to practical assistance in a way that had never been done before and, for those not yet convinced about marine energy, not a penny of taxpayer funds is due until the energy is generated.

So far, so good—but what next? Without repeating too much of what the right hon. Member for Orkney and Shetland said, I will highlight four quick things. First, we must keep going; we need a continued pipeline of opportunities to stimulate manufacturing scale and innovation research. The work done on FastBlade by Babcock and the University of Edinburgh partnership at Rosyth, which I saw in the summer, is a model of its kind; it will help to both improve the technology and reduce costs. Secondly, we must reduce the hidden cost of process—that has been referred to in terms of some of the detail around marine licences and the section 36 consent. We can probably all agree that the process, as it is, is both opaque and slow, and could be made much less opaque and much faster. I propose the production of a combined paper on its details from the Marine Energy Council—the chair of which is well known to the Department—which the all-party parliamentary group on marine energy will give to the Minister by the end of January for discussion, consideration and, I hope, implementation as quickly as possible. The Minister has been a great supporter of green energy, work on climate change and the environment in general. I hope that, as soon as possible after he has seen the paper, he will happily come and discuss its implications and what might be done with the all-party group.

Thirdly, and curiously in this context, let us not forget England. One of the problems at the moment is that the strong support, particularly from the Scottish Government, but also from the Welsh Government, means that English bids for the CfD project are rather disadvantaged by not having the same amount of local financial support. A very good project from the Isle of Wight has been put forward. I encourage the Minister to look at that; it needs help to make sure that that area, too, can be levelled up and be competitive in this space. Some approvals are already in place, so it is a case of putting them into action.

The fourth point is to not forget tidal lagoons. I know the Department has a lasting bruise from the saga over the Swansea tidal lagoon project, in which I had a strong interest, because the business behind it was headquartered in Gloucester. Ultimately, that project fell partly on confidence in the management to deliver it, and partly on an assumption that the project was far too expensive. As the then Prime Minister, my right hon. Friend the Member for Maidenhead (Mrs May), recognises, it now looks pretty good value and—guess what?—it would have been up and running any moment now, had it been approved. There will be new and alternative ideas on tidal lagoons, which the Department should look at.

David Duguid: The hon. Gentleman is making an excellent speech. I hate to interrupt him, but I could tell he wanted a quick sip of water there; I was also going to ask whether he would agree that marine energy in

general, and tidal stream energy in particular, has the opportunity to be an exportable commodity to the rest of the world, not only for Orkney and the rest of Scotland, but for the whole of the UK. Tidal stream for the UK could be what offshore wind has been for Denmark.

Richard Graham: I am grateful to the hon. Gentleman, both for the marine energy that I was able to take, and for his thoughts on exports. The Minister will know that the parts of the world that I am most interested in exporting to are in south-east Asia. By happy coincidence, huge opportunities for tidal stream energy have already been identified in Indonesia in more than one place, and potentially also in the north of the Philippines. There will be other places, but those two stand out at this time.

It would not be easy, but if we wanted to add a fifth point to my thoughts for the Minister to consider, that might be looking closely at how we can help exports of tidal stream capability and technology be part of a strategy to deliver more than just a huge contribution to domestic UK security. That would help to make sure that the manufacturing benefits stay within the UK, we keep Nova based here and we are able to export successfully both the skills and the manufacturing equipment that goes with them around the world.

There are huge opportunities here. The Government have been very supportive. It is a niche interest at the moment, but colleagues in Scotland, Northern Ireland—let us not forget Strangford Lough; I am sure someone will remind us of that—and Wales have all got an interest. It is a wonderful UK project, which, with the support of the Government, can become something to be very proud of.

9.58 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, Mr Hollobone. The hon. Member for Gloucester (Richard Graham) is right—I will give my perspective on Strangford Lough. Helping to progress that is my objective in being here.

I thank the right hon. Member for Orkney and Shetland (Mr Carmichael) for setting the scene so very well. Like everyone else in the Chamber today, including me, he is a champion of the coastal regions. On almost every occasion in this House, he and I have supported each other, whether that is on fishing issues or marine life issues. Since my election to this House, it has been my pleasure to work alongside him and learn from him. I thank him for that.

It is a pleasure to see the Minister in his place. I look forward to his response, which I know is always given with consideration and helpfulness. I look forward to the contributions from the two shadow Ministers for the SNP and Labour. They both have a deep interest in these matters, and they will add much to the debate.

Margaret Ferrier: Will the hon. Member for Strangford (Jim Shannon) give way before he starts on his amazing speech? The Narrows located between Strangford Lough and the Irish Sea make an optimal location for tidal energy research. As the hon. Gentleman knows, it has hosted a few projects in recent years. Will he speak to the benefits that projects in Strangford Lough have for his constituency and further afield?

Jim Shannon: The hon. Lady asks me to speak highly of Strangford Lough, and that will be done without question. I thank her for her intervention. The main issue is more than energy; it is the balance of life and the potential to provide safe, renewable energy. I speak to my mother regularly and she has always said that there are few absolutes in this world. One, pertinent for this time of year, is that “Jesus loves you, regardless of what you have done.” The other is that the sun will rise and set. Clearly, a very wise woman, for which I am so thankful.

The first maxim, demonstrated at this time of year, offers forgiveness and unconditional love in the birth of the Lord Jesus. As for the second, I believe we have an opportunity to harness that. If the sun rises, it means that the moon orbits, and the tides are as certain as the sun rising. We can and should use that to produce energy. If we had a thought for the day, that would be mine.

Strangford Lough was named by Viking invaders who noted the strength of the lough. That is where the “strang” came from, the Viking word for strong. They may not have been able to measure the tide as having a force of 7.5 knots on any given day, but they knew it was stronger than normal, stronger than anywhere they had been before. In 2008, a project to harness the power of Strangford Lough was started in the form of a tidal turbine. That was the world’s first commercial-scale tidal energy project.

I am very proud that was in my constituency, and I am keen to see that project go further. I have met some of those involved from the Queen’s University marine laboratory and the Minister back home from the Department of Enterprise, Trade and Investment. I am pleased to see this Minister is his place, and I will request a meeting about that project. We are keen back home to take it further.

I want to speak about that project and what it did, because it shows development potential that could be used for our betterment. It was commissioned in July 2008 by Marine Current Turbines, a subsidiary of British tidal energy company Siemens. The 1.2 MW project used MCT’s SeaGen turbine technology and required an investment of £12 million.

The pilot was successful, and I cannot understand why we have not moved beyond that. Perhaps we can now, because my discussions with the Department back home and the Assembly, as well as those involved with the project, indicate that that pilot project could be financially feasible. I think some of the investors come from Canada, and there is an interest in taking it forward.

The project involved installation of two 600 kW turbines producing 150 kW of electricity to the grid in July 2008. SeaGen generated electricity at its maximum capacity of 1.2 MW for the first time in December 2008. Another important milestone was reached in September 2012, with SeaGen producing 5 GWh of tidal power since its commissioning, which is equivalent to the annual power consumption of 1,500 households.

I could say a lot more; I am keen to see how we can take that project and its pilot scheme forward. The project has finished at the moment, but I cannot understand why further follow-ups have not taken place, to make the most of that tide, to ensure that the harnessing of

marine energy is not detrimental to the fishing industry. I have been in contact with DAERA back home on the matter.

I make this request directly to the Minister today. If he is able to come to Strangford Lough, I am keen to take the opportunity to introduce him to people from Queen’s University marine laboratory and from the Department to see how the project can be progressed. I honestly believe it has so much potential. Obviously, we need the input of the Minister here today, but the Minister back home told me that some of the help comes from Westminster for that project, so there is governmental input here.

I recently read that tidal power could supply up to 10% of the UK’s energy within 10 years. SeaGen could play a part in that as it was more than four times as powerful as the world’s second most powerful tidal current system at that time—the 300 kW Seaflow that was installed off Lynmouth on the north Devon coast more than five years ago. We have that potential in Strangford Lough. It would be wonderful for us if we could use that green marine energy potential back home.

I am given to understand that, based on the Strangford Lough experience, the company plans to scale up the technology to build a 10 MW tidal power farm within the next three years. That is the kind of innovation that we in this great United Kingdom of Great Britain and Northern Ireland need to invest in and reap the benefits from. There is a delicate balance in our marine environment, but investment could see a balance being struck, with the ability to power homes, cutting down on reliance on fossil fuels from overseas and becoming self-sustaining.

Another good thing came from the SeaGen pilot scheme. We have a large seal colony in Strangford Lough, and the tidal scheme had protection for the seals, so lots of things were learnt from the SeaGen pilot scheme from 2008 to 2012, which is something that we should really look at. Importantly, it would also reduce costs for the working poor who are on wages that simply are not good enough at this time. We have a golden opportunity to develop the tidal energy system in Strangford Lough. I believe in my heart that that is the way forward. We must find a way and find it soon. The lessons learnt in Strangford Lough can provide a good foundation. Perhaps the Minister can give us the help that we need.

10.7 am

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr. I congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on securing this important debate.

Wales has 2,120 km of coastline and a marine area of approximately 32,000 km. We have immense offshore wind and tidal potential, with Welsh Government estimates setting our marine energy potential at at least 6 GW. The Swansea bay tidal lagoon was mentioned earlier. With tidal lagoons, there is also the potential for coastal protection and other benefits that we need to consider in the round. Although only a small number of projects have been built and deployed in Wales to date, the marine energy sector is already driving economic development and regeneration, with cumulative investment and spend in Wales amounting to £159.6 million, with Gwynedd, my county, benefiting from over £18 million. Marine Energy Wales believes that with the right support

[Liz Saville Roberts]

there is vast potential for the sector to grow. It estimates that it could deliver £603.3 million in economic benefits for Wales over the next five years.

I want to draw attention to a tidal energy project that is being developed at Ynys Enlli in my constituency of Dwyfor Meirionnydd. The Llif Llanw Enlli tidal project is being delivered by the Edinburgh-based company Nova Innovation in collaboration with the community energy company Ynni Llŷn, who are seeking to install turbines on the seabed and demonstrate that commercial devices at a small scale can indeed work before scaling up as the technology matures. It is their ambition for Ynys Enlli, a small island off the end of Llŷn, to switch from a dependency, as it presently has, on diesel to become the world's first blue energy island.

A number of issues have already been mentioned, and I also have a list of asks for the Minister. I hope that they will co-ordinate with those that have already been aired. Nova Innovation is concerned that what is slowing down the development of marine technology across the UK is the slow route to market for projects. It is concerned that the timescales associated with contracts for difference and delays with securing consent for projects are contributing to delays. It has called for the introduction of a CfD innovation pot to support emerging technologies, and for the time between CfD award and the project's start date to be reduced. When he winds up, I would be grateful if the Minister could let us know whether such matters are to be considered.

On CfDs, I ask for clarity on whether—as with the fourth allocation round—tidal stream energy will continue to have ring-fenced funding into the fifth round. Having funding set aside specifically to support tidal stream is key to getting projects in the water and bringing costs down over time. There are pre-consented demonstration zones in Wales, such as Morlais in Ynys Môn, that are dependent on securing funding through the scheme to deploy. Finally, will the Minister clarify whether any consideration is being given to adjusting the CfD scheme so that it can support renewable energy hubs that contain multiple technologies by assessing together projects that are linked? Again, that would be very significant for many parts of Wales.

Of course, for Wales to realise our marine renewables potential, our grid infrastructure desperately needs to be brought into the 21st century. A recent report of the Welsh Affairs Committee on grid capacity in Wales warned that our renewable energy potential is threatened by UK Government inaction on improving grid connectivity. The inadequacy of the grid in Wales is a barrier to the decarbonisation of heat and transport across Wales, let alone to the future potential that we should be realising. It is well known that Wales exports more energy than it actually uses. I am very comfortable with that—I think Wales should be exporting into England and, in future, into Ireland—but we need to have the means to do that, and the grid structure does not permit that. It is not sufficient for our needs, let alone for the future.

Therefore, I ask the Minister how investment in grid infrastructure is to be accelerated. What consideration are the UK Government giving to the role that multi-connection substations could play in reducing the cost and the delays associated with grid construction?

Importantly, that would also provide strong signals that would, in turn, engender confidence for local supply chains, particularly for marine renewables.

Before I bring my remarks to a close, I draw Members' attention to the absurd situation in Wales whereby our seabed will be a key driver of our renewable transition, yet it is the UK Treasury that controls, directs and ultimately reaps the Crown Estate's profits from the seas around Wales, out to a distance of 12 nautical miles. Management of the Crown Estate in Scotland has been devolved to the Scottish Government, and a ScotWind auction earlier this year raised almost £700 million for Scotland's public finances, yet the UK Government refuse to devolve its management to the Welsh Government. That is an anomaly in our devolution settlement, which again leaves Wales the poorer, and I do not find a justification for it. I see no rational justification from the Government, save an obstinacy regarding changing the status quo—a status quo that disfavors Wales. Marine energy and offshore wind together represent a historic opportunity for the Welsh economy, and it is the people of Wales who should be able to direct how best to benefit from that economic opportunity, not Westminster.

10.13 am

Wera Hobhouse (Bath) (LD): It is a pleasure to serve under your chairmanship, Mr Hollobone. Thank you for allowing me to be absent briefly from the debate. I was at an extraordinary meeting of the net zero all-party parliamentary group—I was needed to make sure that it was quorate.

The beauty of being called last is that one often repeats what has already been said, but I do not think it is necessarily bad that we all agree on many things. I congratulate my right hon. Friend the Member for Orkney and Shetland (Mr Carmichael) on bringing this very important debate to the Chamber. It is important that we say certain things again and again, because they need to be said again and again to put a bit of fire under this Government, who—although I believe we all agree on the targets—are not acting with the necessary pace of change that I would like to see.

Just to set the scene again, climate change is devastating the world. The abnormally hot and cold temperatures across the world contribute to as many as 5 million deaths a year. Limiting global warming to 1.5°C instead of 2°C could result in around 420 million fewer people being exposed to extreme heatwaves, yet too many politicians are still treating our vital climate net zero targets like a bus—if we miss one, we can catch another one. There will be no next time if we miss our net zero targets. Our reliance on fossil fuels is not only terrible for the planet, but bad for our energy security. Our constituents would not be paying the price for Putin's war if the UK had moved towards renewables faster, harder and earlier.

The UK must rapidly diversify its energy through multiple forms of clean energy sources. Hydropower is a proven green technology. It can provide flexible storage to support the growth of wind and solar at scale. Hydropower is affordable and reliable, and can be ramped up at short notice when needed. Well-developed plans for tidal range projects on the west coast could mobilise and deliver at least 10 GW of net zero energy, with a construction time of five to seven years. The UK also

has the potential to develop up to 11.5 GW of tidal stream by 2050, supporting over 14,000 jobs. I agree with everything that has been said today. We should support everything, including what the hon. Member for Gloucester (Richard Graham) said about tidal stream and lagoon energy.

The technologies are all there, but they could be developed much faster and more effectively if they did not always have to compete with fossil fuels or nuclear. The Minister knows that I am not a great supporter of nuclear, simply because it is a very expensive technology. If the nuclear industry had the same requirements for competitiveness as the renewables industry, it would not be able to compete in the same way. The renewable energy sector has to compete in a very competitive environment, which is good for our consumers—I get that—but let us apply the same rules to all energy sources, not just the renewable energy sector.

Committing to a target of 1 GW of marine energy by 2035 would send a powerful signal to investors that the UK is the best place to invest in tidal power. I continue to worry that the Government rely too much on fossil fuels. We are getting stuck in the transition. We are never getting out of it, and we will never end up in a net zero world. From 2016 to 2020, the Government provided £13.6 billion in support to the UK's oil and gas industry. The Chancellor's recent autumn statement confirmed that oil and gas giants will be allowed to continue offsetting taxes, while ordinary taxpayers foot the bill. Britain gives out the largest tax breaks in Europe to the oil and gas industry. Whose side are the Government on?

When I met the British Hydropower Association recently, it warned that weak grid capacity in some rural areas meant that not even one electric vehicle charging point could be installed. I agree that grid infrastructure is now the biggest issue holding back renewable energy developments in the UK. It must be prioritised. Where is the long-awaited reform of Ofgem's remit?

Richard Graham: It is worth highlighting that the role of the all-party parliamentary group on marine energy—and the nature of this debate, which is on Government support for marine renewables—is to avoid an argument about which technology or type of energy is better than another. Our case is strongest when we focus on specific things that the Government can do. In this case, that is in the next round of the contracts for difference. A specific opportunity has been outlined for how the Government can help bring down the costs of our marine energy sector, where a lot of technologies are still in the early stages. We are not yet getting the advantages of scale from consolidating those technologies down to two or three that work really well that would make this as cheap and efficient as possible. The Government can help us do that. Does the hon. Lady agree that this is the right way forward for marine energy?

Wera Hobhouse: I absolutely agree, and I thank the hon. Gentleman for making that exact point. How can we make sure that renewable energy technologies get the same support that the Government are giving to other forms of energy? I like to think that we all agree on the need to accelerate and turbocharge our renewable energy sector. My criticism of the Government—and the Minister is aware of this—is that we are not prioritising getting

away from fossil fuel energy as soon as possible. That is my point, and it needs to be made again and again. I make that point at every opportunity to ensure that the Government understand the urgency that the climate emergency requires.

While we are at it, I want to quickly mention one of my particular interests, which is community energy—

Mr Philip Hollobone (in the Chair): Order. I have been generous in allowing the hon. Lady some breadth in her contribution, but this is a debate about marine renewables—I am struggling to see how community energy could possibly fit in. The hon. Lady might want to consider what she says next.

Wera Hobhouse: Thank you for your advice, Mr Hollobone.

I will wind up by saying one thing: I absolutely support the development of marine energy and welcome all the support the Government can give it. I look forward to the Minister's response.

10.20 am

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. Like everybody else, I congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on bringing forward this debate. As with many Westminster Hall debates, the main thrust is clearly one that all contributors agree with—in this case, it is support for marine energy.

The right hon. Member for Orkney and Shetland is lucky to have the European Marine Energy Centre in his constituency, a facility I have visited. This world-leading facility came about partly due to the EU. As the right hon. Gentleman said, the EU funding scheme must be replaced by the UK Government to keep the centre going. The UK Government want to talk about levelling up, so there should be no ambiguity about providing replacement funding for the EMEC.

The right hon. Gentleman rightly highlighted the success of the fourth allocation round of CfDs, with Orbital Marine Power awarded 7.2 MW, SIMEC Atlantis awarded 28 MW through the further development of the MeyGen site—the world's largest—and Magallanes, in Wales, awarded 5.6 MW. It was a pleasure last week to hear at a meeting of the marine energy APPG that all those projects are on track to deliver their AR4 commitments.

As the right hon. Gentleman said, the crucial things about tidal stream development are the jobs and manufacturing it creates in the UK, the export opportunities it provides, and that it forms part of the just transition for the oil and gas sector.

Mr Carmichael: The hon. Gentleman is absolutely right to draw attention to the fact that all these projects are on track with their timescale. However, the timescale we heard about at the briefing at the APPG meeting will still see the earliest device going into the water in 2027. That shows the problem with the pace of deployment.

Alan Brown: I agree with the right hon. Gentleman, and that is why further support is needed. In many ways, though, that also shows the pace of deployment to deliver these projects in the next few years. Looking

[Alan Brown]

at the Government's overall renewable energy targets, it is really important that they back many sectors, particularly tidal stream.

I agree with the key asks mentioned by the right hon. Gentleman, including continuing the ring-fenced pots, reforming CfDs to continue to incentivise supply chain development, the 1 GW target for 2035 and, importantly, section 36 consent reform. I ask the Minister to work with the Scottish Government on that, because the regulations are reserved to Westminster.

I commend the hon. Member for Gloucester (Richard Graham), who chairs the marine energy APPG and does a lot of good work with it. It was good to hear him rightly commend the Scottish Government for our commitment to support in the 2022-23 programme for government and, although he did not say it, initiatives such as the Wave Energy Scotland technology programme, which committed £50 million for development of these technologies. It is not often that I say this in a debate, but I welcome and support the hon. Gentleman's call for further investment in England, because that will help develop the supply chain right across the UK. Importantly, I agree with what he said about the need to support companies such as Nova Innovation to stay in Scotland and the UK.

Richard Graham: I thank the hon. Gentleman for all his comments. Will he pursue with Marine Scotland the anomalies in the speed of its processes, which seem to be holding up marine energy projects? For example, I understand that EMEC's Billia Croo section 36 consent has only been sent on a year after it was ready to go for ministerial approval, and that the scoping opinion for EMEC's 50 MW Fall of Warness consent application was completed in August, but the Marine Scotland team has still not forwarded the responses four months later. Does he agree that it is time for Marine Scotland to speed things up?

Alan Brown: I need to move on. However, if there are any blockages, I am happy to support streamlining. I know that Marine Scotland has massively increased its resource to try to speed things up in terms of its assessment and processing. However, if more needs to be done to streamline things, I support that. I remind the hon. Gentleman that, as I have said, the section 36 regulations are reserved to Westminster. However, I am happy to support any streamlining of the process to ensure we get deployment.

I congratulate the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on her contribution. She rightly highlighted that these technologies encourage redevelopment and regeneration. Energy Island is a fantastic development that will move from fossil fuels to renewable energy. I support the call for an innovation report for CfDs and the call for the ability to group multiple technologies together, because that would facilitate the development of green hydrogen as well.

As always, the hon. Member for Strangford (Jim Shannon) made a fantastic contribution to the debate. He talked particularly about the developments for Strangford lough in his constituency. I liked what he said about helping to support the working poor in a drive for wages.

I completely agree with the hon. Member for Bath (Wera Hobhouse) that when it comes to nuclear, there is a lack of competition to bring costs down. I support her call for community energy. That has happened in Orkney through hydrogen development and the roll-out of electric vehicles; part of that community energy comes from marine energy.

Wera Hobhouse: Will the hon. Gentleman give way?

Alan Brown: Sorry, I need to go on.

It might have taken slightly longer to get to this point and there are good reasons for that, but Scotland leads the world in wave and tidal stream technology. The deployment of tidal stream to date has come about because of a combination of the tenacity and drive of the developers; Government support, particularly that of the devolved Administrations; and the presence and work of EMEC.

Of course, a big reason for our optimism about the future is the £20 million ring-fenced pot that was allocated in AR4. That sent a clear message to investors and allowed certainty for the market. The message is clear: continue this £20 million ring-fencing in AR5 and, as a minimum, do the same for AR6. However, what would really help industry is a long-term view of what funding could be available. Hopefully the Minister will confirm that AR5, which is due to be announced later this month, will contain some ring-fencing.

We know what happened with offshore wind, where pipelines of projects brought prices down dramatically and much quicker than was originally intended. That was a real success story and one that the UK Government are proud of. As we look to the future, there are some things that can be replicated with tidal stream. That can be as big a success, but one that is based on UK supply chains and that will lead to our exporting the technology and patents.

The UK has 11.5 GW of potential, which equates to 11% of the UK's current electricity demand. It goes without saying that the flows of tides are entirely predictable, so if there is a belief in the need for so-called baseload, tidal stream can clearly be part of that.

Of course, it is the reliability and predictability of this green energy that is so important. As we have heard, it is also cost-efficient, particularly if given the right Government backing. The 40 MW allocation in AR4 will be delivered at £178 per MWh, which is already 15% below the administrative strike price and represents a 40% reduction in the levelised cost of energy since 2016. As we have heard, it could go as low as £78 per MWh by 2035 and below £50 per MWh by 2050. However, such cost reductions are possible only with continued Government backing.

As we have heard, those prices compare very favourably to the strike rate for Hinkley Point C, which is £92.50 per MWh, and, as I have said, that is a 35-year concession as opposed to a 15-year concession. If we work that 35-year concession backwards, tidal stream is already as cheap as nuclear, or cheaper, albeit not at the same scale, so I admit we are perhaps not comparing apples with apples in terms of output. Nevertheless, in that comparison, tidal stream is already cheaper than nuclear. Tidal stream does not have the backing of Sizewell C, which has just been allocated £700 million of taxpayers' money just to get to the final investment stage. Again,

what we are calling for is continued Government backing that will see tidal stream developed quicker and in a way that is much more beneficial to bill payers.

Given that time is running on, I will sum up by reiterating what the key asks are for industry. We must maintain the tidal stream energy ringfence in future renewable options, which is worth at least £20 million in AR 5. We want the Government to set a 1 GW target for 2035 to send, again, that strong signal to investors. Small modular reactors at Sizewell C will not be able to achieve that target in that timeframe. We want to expedite the route to market for UK projects. That goes to the point other Members have touched on about the consenting process, which needs to be sped up.

Other contributors have also said that the UK needs to increase the pace and scale of its investment in its electricity grid. We should do an exercise where we ask, “What does 2050 look like in terms of where energy generation takes place?” From that, we can map out what grid upgrades there need to be, instead of continuing to incorporate constraints, in the way that short-term lookaheads for grid upgrades have done.

We ask that a renewables investment allowance be created. When we are trying to embrace a renewables revolution, it makes no sense to have an oil and gas investment allowance, which offsets the massive profits that oil and gas behemoths are making, but not to have an investment allowance that encourages them to invest in renewable energy, to divest and to pursue that long-term just transition to net zero.

There really is a fantastic opportunity for renewables as a whole in the UK and a fantastic opportunity for tidal stream technology to continue to be world leading, to be manufactured here and to be exported to the rest of the world. It just needs that continued support, and hopefully the Minister will tell us that that is what it will get.

10.32 am

Kerry McCarthy (Bristol East) (Lab): As always, it is a pleasure to see you in the Chair, Mr Hollobone. I congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on securing the debate. We have had quite a tour of the UK today, from Orkney and Shetland down to the south-west of England via Wales and Northern Ireland. I smiled a little when the hon. Member for Strangford (Jim Shannon) said it was his desire to talk about Strangford lough that brought him here today, given how omnipresent he is in Westminster Hall debates, but as always his contribution was valued.

This is one of those ideal Westminster Hall debates, where everyone has something of real interest to say and is not political point scoring, but trying to speak with a common purpose, highlighting individual and local concerns. What has come through clearly is a desire for clarity from the Government and for support for the sector, so that it feels that the Government are behind the desire to harness our marine energy resources and we can expedite the roll-out. As has been said, value-for-money decisions or calculations that were made some time ago may need to be reassessed in the light of the current energy situation. The point was made that, once we get to a tipping point, things become a lot cheaper.

We know we need a diverse mix of energy sources if we are to get to net zero. It is always frustrating when clean energy sceptics say, “What happens when the sun doesn’t shine or the wind doesn’t blow?” and conveniently ignore the fact that our tides, as the hon. Member for Kilmarnock and Loudoun (Alan Brown) said, are a predictable source of energy and something we should be harnessing. We could also use hydroelectric reservoirs, which I do not think anyone has talked about, which release stored water and therefore generate energy at short notice.

I will pick up some of the points that other hon. Members have made as I go through my speech, but I want to start by talking about some of the really inspiring projects that are in the pipeline. The groundbreaking Blue Eden project in Swansea will generate 320 MW of energy, create 2,500 jobs and support another 16,000 in the supply chain. It was interesting to hear about the potential of the blue energy island, which is a small way to make a real difference.

In Merseyside yesterday, metro Mayor Steve Rotherham signed a deal with the South Korean state-owned water company, which owns and operates the world’s largest tidal range scheme, to develop the Mersey tidal power project, which could generate enough energy to power 1 million homes. It will create thousands of jobs and help the region get to net zero by 2040.

In Cumbria, where the Government are about to give the go-ahead to a new coalmine—I thought we might have had the news by now—there is the potential for thousands of jobs in green industries such as offshore wind, tidal power and green hydrogen. The choice facing us is whether we doggedly rely on dirty fossil fuels—hon. Members mentioned the investment allowances being put into new fossil fuel exploration instead of supporting renewables—or embrace the green industries of the future and the potential for jobs. The right hon. Member for Orkney and Shetland said that 80% of the content is UK-generated, which will have a great impact on the supply chain. It is a no-brainer that there should be Government backing behind that.

In my local area, the Western Gateway group of local authorities has set up a new commission to explore tidal options for the Severn. The hon. Member for Gloucester (Richard Graham) knows that that has been an ongoing discussion ever since we have been in Parliament. Talks stalled in the early years of the coalition Government. There was a feasibility study. There were concerns about the cost, and talk about whether a barrage or tidal lagoons would be the better option.

There were also valid concerns about the impact on the natural environment in the estuary. We have not touched on that much today, because people are so excited about the potential of tidal power, but we have to look at some of the possible negatives. In the case of the Severn, there were concerns about the impact on migrating bird life at the wonderful wetlands at Slimbridge, for example. Environmental campaigners have also expressed concerns about the Morecambe bay project.

I hope we can find a way through this and harness the potential of the Severn, which has the second-highest tidal range in the world, but we need to do so in an environmentally sensitive way. More generally, we need to look at preventing sea life from being caught in the blades of the turbines and to assess the impact of

[Kerry McCarthy]

vibrations and noise on marine mammals that echolocate to communicate and navigate, such as whales and dolphins. Such things need to be taken into account.

I recognise that the costs of tidal stream are far higher at the moment than those of solar and wind, but they have fallen significantly in recent years and are expected to fall further still. The comparison was made with Hinkley Point C. As the right hon. Member for Orkney and Shetland said, it is not about setting one off against the other and saying either/or; it is about making that comparison. If we are investing in Hinkley Point C, we should be looking at renewable options. It is estimated that, by 2035, tidal stream could provide power at £78 per MWh, which could fall to £50 per MWh by 2047—quite a few Members have mentioned those statistics.

Alan Brown: The hon. Lady says it is not an either/or, but the reality is that if too much money is invested in nuclear, its generation capacity means that there is not enough scope for renewables coming on to the grid, so in some cases it is an either/or.

Kerry McCarthy: The hon. Gentleman answered his own question earlier by flagging up the investment allowances attached to the windfall tax that are being given to the fossil fuel companies. That money should be directed towards this investment and not towards fossil fuels. It is not money for nuclear versus money for renewables; it is money for fossil fuels versus money for clean energy sources.

We have talked about the UK having the potential to develop around 1 GW of tidal stream by 2035 and up to 11.5 GW by 2050. National Grid's future energy scenario models up to 3% of UK electricity demand being met by marine renewables by 2050, but we need to do more to release that potential. According to Energy Monitor, 14 GW of planned UK power capacity has been cancelled, is dormant or is stuck in the early stages of development but, as has been said, lack of investment and of a clear sense of direction are not the only barriers.

The grid has been talked about—it is a massive issue—and we have heard about the Welsh Affairs Committee report. The same issues come up time and again when I talk to people as part of my shadow role: long waits—sometimes of up to 10 years—to connect clean power sources to the grid, delays to projects and investors being deterred.

Wera Hobhouse: Will the hon. Lady give way briefly?

Kerry McCarthy: I am conscious of the fact that the Chair said I have only 10 minutes. I am already nine minutes in, so I think I need to crack on. I want to hear what the Minister has to say about what we are doing to sort out the problems with the grid. I am sure he is well aware of them.

We also need action across the board to simplify and streamline the planning system, not in the way proposed by the previous, short-lived Administration, who were all about scrapping vital environmental protections and riding roughshod over the wishes of local communities, but by ensuring we do not place unnecessary burdens on renewable energy developers that delay or even derail new projects.

Other Members have mentioned the UK Marine Energy Council's suggestions for speeding up approval for tidal stream projects—for example, reducing baseline surveys, decreasing the regulatory review from nine months to three and so on. I look forward to hearing what the Minister has to say about that.

We hear good things from around the country—for example, what the Labour-led authority in Merseyside is doing. Labour has made a plea for certainty and clarity from the Government, and I hope the Minister is looking at what Labour has said about the drive for a clean power system by 2030, a national wealth fund and establishing Great British Energy to help give investors that certainty. GB Energy would have a remit to invest in marine and tidal power to harness the huge potential of this island nation. We would support new marine energy projects, and we need to see something similar from the Government that would give people a signal that those projects are very much on the radar, rather than coalmines and fossil fuel exploration.

10.43 am

The Minister for Climate (Graham Stuart): It is a pleasure to serve under your chairmanship, Mr Hollobone, and I thank all those who have participated in the debate. Westminster Hall often shows the House in its best light, as we are able to focus on a specific issue such as this, and we have heard thoughtful contributions from across the Chamber. I congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on securing this important debate. He has continued to be a champion for his constituents on this issue.

The British energy security strategy affirms that the Government will aggressively explore renewable technologies, including the potential of tidal power to contribute to a net zero-compliant future. Members will have been delighted that the Government established a ringfenced budget of £20 million for tidal stream developments in pot 2 of the fourth contracts for difference allocation round—AR 4—which has been referred to.

The contracts for difference scheme is our flagship mechanism, and it has been mentioned that the Government are very proud of it. Well, we are very proud of it. It has helped the UK to move from a pretty pitiful position in—let me pick a year—2010, say, to a position today where, instead of less than 8% of our electricity coming from renewables, the figure is more than 40%. That is a transformation, and we have led Europe in that regard.

The CfD scheme is our flagship mechanism for supporting the cost-effective delivery of renewable energy. That support will ensure that the nation's tidal stream innovators get the opportunity they need to bring their cost of energy down and learn the valuable and exportable—a point made by a number of hon. Members—lessons that come with being the first in the world to deploy a cutting-edge technology at scale.

I have watched the transformation of offshore wind from my constituency in East Yorkshire, and if there is one thing I bring to this role—which is pretty overwhelming in terms of deploying all the technologies at speed, the grid and all the rest of it—it is a desperate desire to see us ensure we maximise our industrial and service capability so that we not only deliver at home, but build up a capability that can export and bring prosperity and a solution to the challenges globally.

I welcome the contributions that have been made today by Members across the House, who have shared their passion for ensuring that we get our policies right so that we maximise the chances of companies staying in Scotland, Wales, England and Northern Ireland and maximise the economic benefits. As well as being good in itself, that will help us to maintain the coalition—this is quite unusual in this country—of the many people who agree that action on climate is the right thing to do and that it can bring prosperity as well as environmental benefit.

The Government have delivered for the burgeoning tidal stream industry. It is now time for the developers to push on, to make good on their promises and their potential and to demonstrate the value for money and scalability that we need from our renewable energy technologies as we transition to an efficient and net zero-ready power sector.

The fourth contracts for difference auction in July this year saw four tidal stream projects, totalling 40 MW, win contracts at a strike price of £178.54 per megawatt-hour. Three of the contracts were awarded in Scotland, to MeyGen and two Orbital projects in Orkney, and one was awarded in Wales, to Magallanes. To put that into perspective, only 36 MW of tidal stream has been deployed worldwide between 2010 and 2020. We really are making significant strides forward. This is the first time that tidal stream power has been procured at this scale, and it provides the industry with a golden opportunity to demonstrate the cost-efficiency and proof of scalability that we need from our sources of renewable electricity.

We hope that other technologies can follow offshore wind in its remarkable reduction in price over just two auctions—from 2015 to 2019 it went from £120 per megawatt-hour to £39.50—but we cannot assume that just because it happened with offshore wind, it will happen with everything. We want to create genuine competitive tension between the technologies because we want not only to take an accelerated path to net zero but to do so in a way that, in the end, brings the UK the lowest and most competitive electricity costs as a base part of our energy system. That will put us in a position to be able to keep energy affordable for families but also make us industrially competitive. There is so much to play for. We have got to get the balance right, and CfDs have done a great job so far.

Richard Graham: The Minister is absolutely right, but the challenge for the marine energy industry in delivering that scalability is the certainty that 2021 will not be a one-off but the beginning of a series of contracts that will enable it to develop. Does he agree?

Graham Stuart: The broad parameters of allocation round 5 will come out this month, and the more detailed criteria will come out on the eve of its launch in March. I can say no more than that, but I think the direction of travel is fairly clear.

The results of allocation round 4 confirm that tidal stream is a home-grown industry of considerable promise, as colleagues have noted. The UK remains the world leader in tidal stream technologies, with half of the world's deployment situated in UK waters. Given my passion when I came into this job, the last thing I want to see is British research and development and British invention turned into billion-dollar businesses in other

places rather than here in the UK, which is what has happened so often. I want that development to happen here in the UK, and I want to work with colleagues.

I congratulate my hon. Friend the Member for Gloucester (Richard Graham) on his chairmanship of the APPG, with the right hon. Member for Orkney and Shetland as his deputy chair. It is so important that we have these specialist interest groups, which can keep Government honest and act as a ginger group—a caucus—to make sure that we think about and get our policies right, so that the promise is delivered.

Europe's foremost tidal and wave energy testing centre—the European Marine Energy Centre—is on Orkney, as the right hon. Member for Orkney and Shetland said. We have new marine energy hubs developing on Anglesey and the Isle of Wight. In answer to the question asked by the right hon. Member for Orkney and Shetland, I would be very happy to meet him and discuss EMEC and its future.

We have a raft of brilliant developers designing and building tidal stream devices in the UK. That picture is so positive in large part because successive Governments have provided more than £175 million in innovation funding, of which more than £80 million has come since 2010. In 2018, thanks to the extensive support afforded under the renewables obligation mechanism, we were able to build the largest tidal stream-generating array in the world in the fast-moving waters of the Pentland firth.

Liz Saville Roberts: It is evident that the Minister understands the potential associated with marine energy for the levelling-up agenda, which I really appreciate. Could he give me a sense of what will happen in Wales with the national grid? Improvements to the grid will be critical if we are to increase generation in Wales, and the timetable for that is essential, because otherwise these are just abstract concepts.

Graham Stuart: The right hon. Lady is absolutely right. Since taking this job—about three months ago now—I have been seized with the centrality of that issue. For all the fascinating issues with the different forms of deployment, if we do not have the grid to bring it all together, we will not have a successful system. I am co-chairman of the offshore wind acceleration taskforce as we seek to move from 13 GW of offshore wind, or whatever it is today, to 50 GW by 2030. That is our ambition, and one of the biggest challenges to that is making sure that we have the grid in place to do it, and are carrying colleagues with us while we do so. I am meeting with a group of colleagues today from East Anglia to discuss the onshore impact of that technology.

Wera Hobhouse: Will the Minister give way?

Graham Stuart: I am still answering the question posed by the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). The offshore wind acceleration taskforce has been working really hard with the regulators, including Scottish and other devolved regulators, because they have their own systems and agencies. We are trying to make sure that we streamline and avoid duplication, and that anything that can be done in parallel is done; we are looking to improve that.

[Graham Stuart]

In a sense, offshore wind has been an exemplar for the overall grid system—that is not really the focus of this debate, but we are absolutely focused on that. We have got something called the holistic network design, trying to look at this issue in a more joined-up way for the first time, rather than just linear connections for individual ones, with the grid responding. We are looking at more of a planned approach, and the second holistic network design will come out soon. Floating wind in the Celtic sea, for instance, will be included in that design.

Jim Shannon: I thank the Minister for his comprehensive, detailed and helpful response. I just have one very quick question: if at all possible, could he facilitate us with a visit to Northern Ireland? We would be very pleased to show him Strangford lough—the narrows, the waters, and what they can generate. In my discussions with the relevant Minister in the Northern Ireland Assembly, he indicated that there needed to be a direction from Westminster as well, so that would be extremely helpful. I am asking in all honesty whether the Minister, in the generosity of his position, could facilitate that.

Graham Stuart: I have a serious problem with the hon. Member for Strangford (Jim Shannon), which is that he is a very hard man to say no to—I do resent that. I will certainly try; I think other duties may take me to Northern Ireland, and perhaps that is something I could fit in. I will certainly try to do so if I possibly can.

Let me pick up on a few of the points that have been made. I want to say a bit more on EMEC.

Wera Hobhouse: Will the Minister give way?

Graham Stuart: I will not give way to the hon. Lady. We heard her generalised remarks earlier, and I think she had her opportunity.

There are two BEIS overseas funding streams that EMEC may be able to apply for in partnership with developers: the first is the £1 billion net zero innovation portfolio that provides support for research and development, and the second is the energy entrepreneurs fund, which provides small grants to developers of innovative energy technologies. In May this year, BEIS awarded a £5 million grant to a hydrogen technology developer based at EMEC. Two of the CfD AR4 projects are, of course, also based at EMEC, and will be paying lease fees to EMEC from 2026. There are a number of things there, but as I have said, I am happy to meet and discuss it.

Quite rightly, we talked extensively about export potential. We recognise the success of Nova Innovation and the supply of turbines to Canada, and note the support of UK Export Finance, for which I used to be the Minister responsible. I remember Nova coming over my desk and, notwithstanding some of the challenges, being keen to be involved. I remember saying, “If we can’t support someone like this, what are we here for?” I am pleased to see that UK Export Finance, our credit agency, has been able to support Nova.

With regard to further export potential, my officials have met their counterparts in Indonesia and the Philippines on the role of marine energy and what the UK can offer. We need a joined-up approach as we develop here.

With the Department for International Trade and other colleagues, we are also reaching out across the world, to ensure that we can show that this is the place in which to develop these solutions and then export them.

I go back to the point about speeding up or expediting, as the hon. Member for Bristol East (Kerry McCarthy) referred to it. Government are working on reforming the planning and environmental consent system, to increase its efficiency and speed, while maintaining proper scrutiny of projects. That repeats what I have already said.

I thank my hon. Friend the Member for Gloucester, the chairman of the all-parliamentary group, for his kind words about my Department. I also thank the right hon. Member for Orkney and Shetland for his kind words about one of my predecessors, my right hon. Friend the Member for Spelthorne (Kwasi Kwarteng), and his interest in work here.

I look forward to receiving the paper in January. I have touched on the opportunities in Indonesia and the Philippines. I think I have dealt with the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on the CfD delays. I have probably mispronounced her constituency, but I will keep trying—she can tutor me. On the issue of multiple technologies, there are provisions in the Energy Bill, which I am delighted to say we are pushing forward. We are hoping, with cross-party support, to push that through Parliament as quickly as possible. It has a lot of enabling facilities in it—

Richard Graham: He will not forget about England, will he?

Graham Stuart: I am sorry. I could not hear my hon. Friend.

Richard Graham: Will the Minister give way?

Graham Stuart: No; I am going to bring my remarks to a close, under the Chair’s steely eye. Notwithstanding the chairman of the APPG’s efforts to get people not to make comparisons, we want to get proper tension in the system. One great thing about tidal technologies is that they could offer that dispatchable power—the kind of baseload needed to balance the system. It is necessary to compare apples with apples. It is that kind of tension we need to judge how much nuclear, for instance, should play in our system. I am pleased to say that the £92, or whatever was the strike price for nuclear, now looks a tremendous bargain. Even Scottish nationalists might recognise that.

10.58 am

Mr Carmichael: I offer myself as an interlocutor for the hon. Member for Gloucester (Richard Graham). His entreaty to the Minister was that we should not forget England. Between now and Saturday that would take some doing.

Those who know me will understand that the message of this debate is simple. I will not expand on the reasons why I keep messages simple, but let me reiterate them for the Minister. We need early clarity on the AR5; support for the industry will be massively important for investor confidence. The machinery of government must stop acting as a brake in relation to the consenting process. There is opportunity for reform with the contract for difference.

The importance of a 1 GW target in the medium to long term is going to be critical in continuing to provide that investor confidence. If the Minister can drive those modest asks forward, I have no doubt that he, too, will one day earn the praise that we have lavished on the right hon. Member for Spelthorne (Kwasi Kwarteng).

Every day is a school day in Westminster Hall. The right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) told us that the coastline of Wales was 2,120 kilometres. I observe that that puts the entirety of Wales a mere 1,462 kilometres behind Orkney and Shetland.

Mr Hollobone, we will return to this matter. We look forward to the Minister's early announcements. I am grateful to all who have taken part in the debate.

Question put and agreed to.

Resolved,

That this House has considered Government support for marine renewables.

Songwriters and Composers: Remuneration

11 am

Mr Philip Hollobone (in the Chair): I call Kevin Brennan, who is wearing a particularly musical tie, to move the motion.

Kevin Brennan (Cardiff West) (Lab): I beg to move,

That this House has considered remuneration for songwriters and composers.

Good morning. It is always a pleasure to see you in the Chair, Mr Hollobone. I should at the outset declare that I am a member of the Ivors Academy, PRS for Music and the Musicians' Union, and I chair the all-party parliamentary group on music.

Last night was quite special because some of us, including the Secretary of State for Digital, Culture, Media and Sport, were invited to Abbey Road Studios in St John's Wood for an event in the famous Studio Two, where the Beatles recorded the vast majority of their material that has ever been released. We were treated to a wonderful performance by a young singer called Olivia Dean, who is also a songwriter; she performed her song "The Hardest Part" quite beautifully for us. I predict big things for her in the next 12 months or so. It was a reminder of the wonderful talent for songwriting and composing in this country, and the great legacy we have.

I was fortunate recently to help host the Ivors Academy's composer week here in the House of Commons, when several composers came to celebrate great British achievement in composing. That great legacy is also a live one, with young performers such as Olivia Dean. The legacy of Abbey Road itself is not just the Beatles, but Pink Floyd and many other great artists, including more recently Stormzy, Adele and Ed Sheeran. But behind some of those great performers are often professional songwriters. Amy Wadge, who lives quite close to my constituency in south Wales, is behind some of Ed Sheeran's biggest hits, as she co-writes with him. We should remember not just the artists, but the songwriters and composers.

Visiting Abbey Road last night reminded me that we should protect the legacy of our great recording studios, including the Maida Vale Studios, which the BBC is now selling off, and which there is an opportunity to keep, as a going concern, as a recording studio. It would be a loss to the country if the studio were sold off for flats, rather than maintained as a recording studio.

This morning I want to talk about three things to do with songwriters and composers, and give the Minister an opportunity to respond. First, the Select Committee on Digital, Culture, Media and Sport wrote a groundbreaking report on the economics of music streaming, which contained a series of recommendations in relation to songwriters and composers, as well as to performers. I know the Minister has taken a close interest in that inquiry, particularly in relation to some work going on in the Intellectual Property Office. I am glad to see him back in his role; we discussed a lot of these matters when I introduced my private Member's Bill, the Copyright (Rights and Remuneration of Musicians,

[Kevin Brennan]

Etc.) Bill, into the House of Commons a year ago. He made several commitments at that stage that I hope he might revisit a little today.

Secondly, I will talk about composer buyouts and the growing problem they present to our songwriters and composers, and the threat to the future pipeline of songwriters and composers.

The third point I will discuss—to give the Minister a heads-up—is artificial intelligence and the implications of the data mining of musical works.

Jim Shannon (Strangford) (DUP): I commend the hon. Gentleman; he is a dear friend of mine, and a dear friend of many. On the Back Benches we like his wit—we will probably get some of his wit today at Prime Minister's Question Time. It is a delight to hear him talk with passion on a subject that means so much to him. Does he agree that the unfair disadvantage for the songwriters and composers who have made their breakthrough via a viral song on a social media streaming platform, only to receive a minimal payment, must be addressed by Government? The industry has had more than enough time to fix it, and it has refused to do so. I believe there is clearly a legislative requirement—the broken record will not be fixed.

Kevin Brennan: I completely agree with the hon. Gentleman. I know that he is a bit of a musician himself. I am not going to go into lengthy detail about that issue this morning. However, suffice to say, the recent Competition and Markets Authority report into competition issues in the music industry, and, in particular, into the cross ownership of both publishing and recording rights of the major record companies, did not decide to proceed to a full market investigation. In a way, it threw the ball back to the Government, by saying that it

“is not to say that we think the market gets a ‘clean bill of health’ or cannot be improved further... We think it is a matter for the Government and policymakers to determine whether the current split is appropriate and fair, and to explore whether wider policy interventions are required, for example those relating to the copyright framework and how music streaming licensing rates are set.”

I note that in France, for example, a form of equitable remuneration—to use the technical term—which is a guaranteed payment when music is streamed, was successfully introduced recently. The research into equitable remuneration from the Intellectual Property Office research programme is over three months late already. Will the Minister update us on what is happening in those groups that were set up in the Intellectual Property Office? What is happening in relation to the research?

I also put this to the Secretary of State for Digital, Culture, Media and Sport, yesterday at the DCMS Committee, but can the Minister take a closer interest and put some ministerial input into driving that work further forward and bringing it to a conclusion? There has been some turmoil and changes in Government since we discussed this a year ago, but I know he had hoped it would have been done by last September, and for a number of reasons—not entirely his fault, and because the work is complex—the work is still incomplete. Some ministerial input is what I am calling for.

When we discussed this a year ago, the preference was that the industry should come to an agreement. That is what it has done in France to improve remuneration for songwriters and performers. If the industry did not do that, the Government were prepared to consider action. I remind the Minister of that, and ask him to respond today as to where he and the Government stand now.

The CMA concluded that it does not have the power to determine whether the current split is appropriate and fair. In the United States, things are done differently—it has a copyright court that determines those things. The judge there described some of the assumptions that the Competition and Markets Authority made about the problems that might be caused if the split was changed, and how that might disadvantage songwriters or other artists, as “heroic” assumptions. I was surprised to see that in the CMA report. But if the CMA does not have the power to do it, and it is instead a policy issue for the Government to resolve, what avenues are the Government pursuing and exploring to resolve the issue?

The second point I will mention is the issue of buy-outs. Parliament has determined, over many decades, that songwriters and composers should be entitled to a royalty when their work is performed or recorded. It did so because it recognises that the creative act involves the creation of intellectual property. That is extremely important, and many people do not understand that it is a key source of income for songwriters and composers.

This is nothing new; throughout history, people have wanted to get their hands on composers’ and songwriters’ money and get a piece of the pie, whether it is Colonel Tom Parker with Elvis Presley or whoever else. In recent years a particularly pernicious practice has emerged among some media companies of demanding up front, when they commission a piece of music—perhaps for a TV series or film—that the composer or songwriter signs a contract that waives their right to royalties, which they have a right to for their lifetime and beyond. It was Parliament’s intention that that should be the case.

Some might say, “Well, that’s their choice. They don’t have to sign the contract. A contract is something entered into equally by two parties,” but the power dynamic is weighted towards the powerful media companies. Composers know that they will end up on a blacklist of some sort if they do not agree to sign away some or all of their rights. They are often prepared to do some of that, but they are increasingly being asked to completely give up their rights to royalties when they are commissioned. Some composers got in touch with me before this debate and described the practices of one particular media company called Moonbug. When it commissions works from composers, it demands that they give up 100% of their royalties.

The Government might say, “This is a private matter. It is a contractual matter,” but there is room for Government leadership. They should support a code of conduct for the industry to make sure media companies are not routinely able to get away with this pernicious practice, which is becoming more and more common.

The third thing I want to talk about is artificial intelligence and the potential threat to our songwriters and composers from a decision that the Government announced earlier in the year—I understand they are

now reviewing it. I have spoken to the Minister about this privately, and I have expressed my concerns. I know other Members have done so too, as have stakeholders in the music industry.

Christina Rees (Neath) (Ind): I congratulate the hon. Gentleman on securing this very important debate and on his superb leadership of the APPG on music. Does he agree that the proposed text and data-mining exception to promote AI would remove the need for a licence to reproduce copies of original works, so would remove any opportunity for performers and creators to be remunerated for their talent and work? Furthermore, because there is not an opt-out for performers and creators, it will have a severe detrimental effect on their creative personality, because in the future it will be done by a computer.

Kevin Brennan: The hon. Lady has made part of my speech for me, so I thank her for that. She emphasises the point that I wish to make. To be clear, if the Government's original position on this matter were to be maintained, any tech company could freely data mine creative output, including musical works, to produce, using artificial intelligence, not an exact copy of that music but a kind of facsimile, in order to commercially exploit it. The composer would not have any ability to give permission for that and rights holders would not be able to license it. It seemed strange for a Conservative Government to trample over property rights in that way. I hope it was a decision taken in some of the turmoil that has been going on recently in government, and that they will actively reconsider it.

I spoke to the Secretary of State at the Digital, Culture, Media and Sport Committee yesterday, and she indicated that the matter is under review. I pressed her on the Government's likely direction of travel and whether it would go back towards allowing reasonable exemptions, perhaps for academic purposes, as long as it really is for that reason and is negotiated properly with rights holders and the industry, but not allowing free access for people to exploit other people's work and, in a sense, be able to pickpocket their intellectual property, then reproduce it in a slightly different format using artificial intelligence. The implications of that for songwriters and composers and their ability to make a living is quite considerable in future.

I hope the Minister can tell us a bit more about the review and why the Government came to such a conclusion originally. I understand why he might want to promote tech. We all want to see innovation using technology, but it cannot be done at the expense of people's creative rights and intellectual property. When he responds, perhaps he will tell us about the timeline for the review and about who he is listening to on this subject, and perhaps he can lean into what the direction of travel is.

11.16 am

The Minister for Science, Research and Innovation (George Freeman): It is a pleasure to serve under your chairmanship, Mr Hollobone—in the warmth of your chairmanship in this cool room this morning. I congratulate the hon. Member for Cardiff West (Kevin Brennan) on securing the debate and on his ongoing work in this field. I welcome the chance to update him on the progress that has been made and to re-emphasise the

message that I gave at the Dispatch Box several months ago before the turmoil of the summer. I want to reiterate the commitment made by my officials, the Government and me to get the issue right and to strike the right balance and continue the pressure that I know he welcomes in trying to secure that.

I am here as Minister for Science, Research and Innovation in the Department for Business, Energy and Industrial Strategy, and as Minister with responsibility for the Intellectual Property Office. I also co-chair the Office for AI with the Department for Digital, Culture, Media and Sport. I am also here as a Member for Parliament and a citizen of this country who is very cognisant and aware, as the hon. Member for Cardiff West has highlighted, of the role of music in our society and our economy. I am the husband of a theatre director, Fiona Laird, who has composed her own music. I have watched her go through the motions as a creator and as a musical theatre director. She composed the music for her recent Royal Shakespeare Company production of "The Merry Wives of Windsor". We have a friend, a digital entrepreneur in the music scene, who uses the global streaming revolution to get a foothold as a minor artist in this incredible global economy. I therefore have some personal feel for the challenge, and I know how strongly the industry respects the commitment of the hon. Member for Cardiff West to try to get the balance right.

The strengths of the UK music industry are a major part of our economy. It contributed £4 billion to our economy in 2021, and probably more this year. A key component of that is exports. British music brought £2.5 billion into the UK in 2021. It is also a major force for soft power. Next week I will be in Japan making a speech on global science soft power. I suspect the Japanese associate the UK with the Beatles, Ed Sheeran and the fabulous creative artists we saw celebrated in the Jubilee, as well as with our science. They go together as global projections of our values as a democracy and a creative powerhouse in the world.

I absolutely share the hon. Member's view that songwriters and composers should enjoy a fair share of the value. The challenge is to make sure we get a framework in the UK where that is true—it is a lived experience and reality—without unilaterally moving so hard or fast that we undermine the sector. We must try to establish best practice, which fits with the wider work I am doing on innovation and regulation. This country has an opportunity to set the global standards in many of these sectors, which could then, through our soft power, become international standards. That is how we see this.

The principles of fairness and sustainability underpinned the inquiry by the Digital, Culture, Media and Sport Committee into music streaming, which kicked off so much of this. I want to reassure Members that those principles absolutely underpin the Government's approach. I will address the issues that the hon. Member has raised and give him the update that he asks for. On streaming, we kicked off a significant piece of work on data, which the Intellectual Property Office has completed. The data gives us a good grasp of what is going on, which is key to fair remuneration. Too often, information that identifies songwriters and composers, along with their works and owners, is incomplete, inaccurate or missing entirely, which means that creators often face

[George Freeman]

delays in being paid, and some are not paid at all. That predominantly affects not rock stars and superstars but the smaller creators on modest incomes, who depend on that data for their livelihoods.

That is why, since the DCMS Committee's inquiry last year, the IPO has established a working group on metadata, which we have tasked with developing industry-led improvements. These are complex issues and there is no silver bullet, as the hon. Gentleman knows, but the working group has made real progress on a good code of practice on metadata and a two-year roadmap for industry to deliver tangible improvements through education and technical solutions. That output is very close to completion. Since returning to office a month ago, I have asked to see it, so that I can ensure that it reflects the undertakings that I gave to the hon. Gentleman and the House. Officials in the Intellectual Property Office will share it with the music industry more widely very early in the new year to seek final agreement.

Similarly, the IPO has established a working group to develop a code of practice on transparency. That code is also close to completion, and we will be seeking wider industry agreement on that early in the new year, too. I hope and believe that those actions on data and transparency will achieve their aim: real improvements in the fair remuneration of songwriters and composers, and songwriters enjoying more timely and accurate data payments as a result of the improvements in data. Those are key elements of the package.

Let me turn to competition and the distribution of revenues. However good the data is, many feel—the hon. Gentleman made this point very well—that the share of streaming revenues that go to songwriters and publishers, particularly the smaller creatives at the lower end of the pecking order, as it were, is too low. It is key that the remuneration is fair and internationally competitive. Let me break those two points down. As the hon. Gentleman said, the CMA published its final report on the market for music streaming last week. The report was launched after the DCMS Committee and the Government encouraged the CMA to look into this and other claims.

We read the report carefully. As the hon. Gentleman said, it found no suggestion that publishing revenues were being deliberately suppressed by distorted or restricted competition. The report also set out the fact that the overall share of streaming revenues enjoyed by publishers and songwriters increased from 8% in 2008 to 15% in 2021. At the same time, the share enjoyed by the recorded music industry has remained steady. It is true that the publishing share has declined slightly since 2017—from 17% to 15%—but during that time overall publishing revenues paid out by the larger streaming services in the UK have more than doubled. More and more money is being paid out to songwriters and publishers from streaming, which is great. Because songwriters typically enjoy the largest share of publishing royalties—an average royalty rate of 84% in 2021—the vast majority of the publishing share is going to songwriters.

The key point, however, is whether streaming revenues are fairly distributed within the ecosystem. There are still many who feel justifiably that the devil is in the detail. They want to know how that overall number is allocated, and think that we need to do more to ensure

that the allocation is fair. The question of how revenues are distributed between artists, songwriters, record labels, publishers and streaming platforms is complex, and we have a responsibility to ensure that any arrangements work for the industry as a whole. There is no perfect solution, but I repeat that there is more that we can do, by working with the industry, to get closer to something that is widely recognised as fairer.

Record labels and publishers each play an important role in supporting and investing in British artists and songwriters. We do not want any unilateral or dramatic reapportionment to undermine the UK sector, but we want to ensure that we do right by the next generation of talent, which we require to feed the whole sector. The Copyright Royalty Board in the US recently laid down that song rights holders should receive around 15% of streaming revenues, which is similar to what we have achieved in the UK. Given that, and given the movement in France, which the hon. Gentleman highlighted, it is interesting that there is a global movement towards ensuring that this growing sector is based on principles of fair remuneration.

I will come on to the changes to copyright law. The DCMS Committee recommended several changes aimed at improving remuneration, including a right to equitable remuneration for streaming, a right to regain ownership of copyright, and a right to renegotiate contracts; those are measures that the hon. Gentleman brought forward in his private Member's Bill. I made it clear at the time that further consideration of those measures was an active priority, and that remains the case. We have seen some positive action from some in the music industry on remuneration for creators. The three major record labels have agreed to disregard unrecouped advances in older contracts, which means that many artists are now being paid from streaming for the first time. Several independent record labels have announced minimum digital royalty rates in their contracts of 25% or more, even for contracts agreed prior to streaming. There has been some progress and these steps are welcome, but I appreciate that creators want to see more substantial and wide-ranging action on remuneration; that is why, in the coming months, we will be actively considering the evidence from the research, as well as the voluntary action taken by the industry, and weighing up our approach on remuneration.

I will come on to a specific proposal that I am making to bring all of this together, including looking at the text and data-mining issue, which is my next point; it is causing real concern for rights holders. As the hon. Member for Cardiff West was kind enough to say, I was out of office when this reform was announced. In the few short weeks I have been back, I have already met with the DCMS Minister for the creative industries, my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez), to highlight the fact that we must get this right. Of course, the UK wants to be a leader in AI—we are, and we want to continue building on that, but we must not allow that support to undermine our creative industries. My hon. Friend the Member for Hornchurch and Upminster absolutely agrees with me, and we have established a small taskforce of officials between the two Departments to ensure that we get this right. Following that meeting and this debate, I propose to convene a roundtable between DCMS and the Department for Business, Energy and Industrial Strategy of the key

voices across the sector to look at the whole issue. It will look at the rate of progress, the report from the Intellectual Property Office and the CMA, and the AI piece to see if we can get a proper settlement that everyone acknowledges would be fair and reflects the principles that we have set out, which—I will repeat again—are absolutely fundamental to our approach.

I believe deeply that, if we get this right, we can establish a Government-supported but industry-led code of conduct that will be respected around the world. It will improve and continue the process by which the industry is improving and ensure that we continue that momentum, so that it does not require private Members' Bills to keep nudging the industry and we have leadership in setting the standards for fair remuneration that are the envy of the world. As the co-chair of the Office for Artificial Intelligence and Minister with responsibility for the Intellectual Property Office on this issue, I will suggest that my hon. Friend the Member for Hornchurch and Upminster and I convene that roundtable; I will obviously be in touch with the hon. Member for Cardiff West and the DCMS Committee.

In closing, with two minutes on the clock, I will highlight the fact that we believe that there is an opportunity here. The industry has shown willingness to move in the right direction. The Government signal that our preference is not to legislate; our preference is to encourage the industry to move in the right direction but, if we must legislate to get this right, we reserve that right. However, our preference remains to avoid that—not least because we would like to get a quicker solution for the benefit of all those in the industry.

Kevin Brennan: I understand what the Minister asked, because we have not discussed it previously, but I do not want the point about composer buyouts to be lost in the discussion. I welcome what the Minister said about convening a roundtable and his continued commitment. We need a discussion at some point about the implication of the increasing trend for composer buyouts.

George Freeman: I am grateful to the hon. Gentleman for putting that on the record; I will put it on the record that we will include that in the roundtable discussion. I will pick up the detailed point that he made and write to him on it, because that is part of the mix. I hope that the House and the hon. Member for Cardiff West can see that we are making progress, and I look forward to working with him on this in the months ahead.

Question put and agreed to.

11.29 am

Sitting suspended.

British Indian Ocean Territory: Sovereignty

[JUDITH CUMMINS *in the Chair*]

2.30 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I beg to move,

That this House has considered the sovereignty of the British Indian Ocean Territory.

Before I start to talk about this British overseas territory, I would like to say that I returned last week from another British overseas territory—the Falkland Islands—with my hon. Friend the Member for Bracknell (James Sunderland) and the hon. Member for Cardiff South and Penarth (Stephen Doughty), who is the shadow Minister for the overseas territories. We have just spent nine days together in the Falkland Islands, inspecting the defences of the islands, meeting islanders and, most importantly, commemorating the 40th anniversary celebrations of the liberation of the islands in June 1982. I pay tribute to the shadow Minister. During our visit, he and I disagreed on almost everything: politically, culturally, socially—everything. But we were in unison and total agreement on the need to protect the Falkland Islands and their right to self-determination, a concept to which I will return over and again during my speech and this debate. It is the lesson we have learned from the conflict in the Falkland Islands.

I recognise that the British Indian Ocean Territory is different from the Falkland Islands, and there are different perspectives, narratives and parameters, but one thing that is not divisible and is equally important in any British overseas territory is the concept of self-determination; we cannot negotiate sovereignty of a territory without the legitimacy of consultation with the islanders and the people originally from that territory.

I mention the Falkland Islands because we have to learn from our mistakes and from the mistakes the Foreign Office has made in the past. Something I was told over and again during our visit to the Falkland Islands was that Lord Chalfont, a Labour Minister in the Foreign Office in the late '60s, was sent to the Falkland Islands in 1968 by the Foreign Office to try to convince the islanders to abandon Great Britain, ditch their links with Britain and become Argentinian. The Falkland Islands' people repeatedly referenced—and have written pamphlets and books about—that occasion, when a Labour Foreign Office Minister was sent to the Falkland Islands to try to entice, cajole and manoeuvre an entire people to abandon their cultural heritage, their links and their status as part of the British family. I am pleased that the Falkland Islanders sent Lord Chalfont back home with the unequivocal message, "We wish to remain British, we are British and we are determined to continue to be part of the British family." I would argue that the poor handling of the Falkland Islands situation by the Foreign Office in the late '60s and '70s led and contributed to the war that then was instigated in 1982.

Something I will not forget from my visit to the Falkland Islands is when my hon. Friend the Member for Bracknell, the hon. Member for Cardiff South and Penarth and I were taken to the top of Mount Tumbledown, and saw the horrendous situation our armed forces

[*Daniel Kawczynski*]

faced in trying to retake the islands. We paused on many occasions during our trip to lay wreaths and spend time quietly together, commemorating the lives of the British soldiers who gave up their lives to protect that British territory.

When the Foreign Office makes mistakes and miscalculates, it is not civil servants or politicians who suffer, but British soldiers, who sometimes have to lay down their lives. Now I believe the Foreign Office is making the same mistakes with the British Indian Ocean Territory that it made with the Falkland Islands. I am deeply concerned that the former Prime Minister, my right hon. Friend the Member for South West Norfolk (Elizabeth Truss), made the decision in her extraordinarily brief premiership to start negotiations with Mauritius over the sovereignty of those 58 beautiful islands in the Indian ocean.

I have debated this issue with many colleagues, and the message from some of them is this: we are in negotiations with Mauritius, due to rulings against us at the United Nations and at the International Court of Justice, so let us conclude those negotiations and then at some stage we will consult the Chagossians. Those are the responses I have received to many written parliamentary questions: “Do not interfere in the negotiations now. Let us conclude these sensitive negotiations—it is all rather discreet—and at some stage in future we will consult the Chagossians.” No, no, no. That puts the cart before the horse. If the Government have any intention to transfer even one of those 58 islands, they need to have a referendum of the Chagossian people. They need to make a decision themselves, rather than our Government even starting to negotiate with Mauritius.

Right hon. and hon. Members will know that the Labour Government of the late 1960s expelled between 1,400 and 1,700 Chagossians. I am pleased that my hon. Friend the Member for Crawley (Henry Smith) is here, as he represents a large contingent of Chagossians who settled in his constituency when they arrived in the United Kingdom. I look forward to hearing what he has to say. The hon. Member for Wythenshawe and Sale East (Mike Kane) also represents 400 Chagossians. Between them, those two gentlemen represent the lion’s share of Chagossians who live in the United Kingdom.

Sir James Duddridge (Rochford and Southend East) (Con): I thank my hon. Friend for giving way; he is making an excellent speech. Who would vote in that referendum—Mauritian Chagossians, Chagossians in the constituencies he just mentioned, second generation, third generation, people who have moved around the world? There is no one on the islands who is Chagossian. Who would the referendum be for?

Daniel Kawczynski: That is a pertinent, sensible and critical question, but not one I have an answer to in this debate. I want to raise the concept and the extraordinary need to ensure that Chagossians are consulted. In written answers, the Government have stated they will consult the Chagossians. If we secure a commitment to a referendum of the Chagossians, it is for the Government to work with legal minds far superior to mine to create the framework in which a referendum could take place.

I want to apologise, as I am sure others will, to the Chagossian people. Those beautiful people were expelled from their islands in 1968 to make way for an American military base. Nothing can erase the shame we feel as British citizens that our ancestors treated the Chagossians in that way. To rip them away from their beautiful islands and cast them to the Seychelles, Maldives, Britain and Mauritius is unforgiveable. At this stage, we can only apologise for what happened to them.

The military base was set up to counter growing Chinese and Soviet belligerence in the Indian ocean and beyond. Today we see a similar belligerence from Russia and especially China. That is the point I want to get across in this debate: we have to look at what is going on in that region.

James Sunderland (Bracknell) (Con): I may be one of very few parliamentarians, if not the only one, who has been to the British Indian Ocean Territory on duty as a military person, so I have seen at first hand how important that base is to NATO and beyond. For me, it is clear; we have two submarine Z-berths there and a large airbase, which was directly involved with the operations in Afghanistan and Iraq. It is an American airbase that is owned by the British. To my mind, it would be pathological nonsense to concede access to that part of the world.

Daniel Kawczynski: I completely agree with my hon. Friend and I am grateful to him for his intervention. I will not give way again for a few minutes, because I have a lot to get through.

Let me explain the key issue. I want to put it on the record and I want to criticise my own side. I am not prone to criticising the Conservative party, but I will enjoy myself this afternoon; I want to let rip.

Seven years ago, I started to ask questions of the Conservative Government, including on the Government’s understanding of the situation in relation to another member of the UN Security Council. By the way, it is a situation peculiar to only five nations in the world to be a permanent member of the UN Security Council, and with that status comes a tremendous amount of responsibility. I asked the then Foreign Secretary, Mr Hammond, “What is this Government’s perception of the fact that China has hoovered up hundreds of atolls in the South China sea—stealing them from Vietnam, Malaysia, Brunei and the Philippines—poured concrete on them and turned them into giant military installations, which extends China’s reach by over 1,000 kilometres by stealing all those islands from all those countries?”

I have met the ambassadors of Vietnam, the Philippines, Malaysia and others, who have expressed to me great concern about what the Chinese are doing. It is only because of British and American freedom of navigation exercises through the South China sea that this waterway, through which 65% of the world’s trade passes, is still open. Otherwise, the Chinese would have tried to turn it into a Chinese lake.

The Government’s response was extraordinary. Mr Hammond said: “The British Government does not get involved, nor has any opinion, on the disputes about uninhabited atolls in the South China sea”. How regrettable that that answer came seven years ago, because I would argue that it was the Government’s lack of action in response to China stealing hundreds of atolls that was the thin end of the wedge; Britain’s inaction gave the

brutal Communist dictatorship of China a green light: “Yes, it’s okay for us to steal other people’s territories. Yes, it’s okay for us to pour concrete on to these atolls and turn them into military installations, because the British aren’t going to do anything about it”.

Sir James Duddridge: I thank my hon. Friend for giving way; he is making very strong points about China and its influence on the atolls. Is it his impression that that is about China setting up military bases, or is it about telecoms—listening in and disrupting global communications—rather than establishing military bases? That would be even more worrying than the assertion he has made.

Daniel Kawczynski: I agree with my hon. Friend; of course, it is a combination of both factors, with the Chinese trying to extend the tentacles of their reach throughout the whole region in order to put smaller countries under pressure.

The Chinese control Mauritius through their belt and road policy, as they do so many other small nations around the world. Guess which is the first African nation that received a free trade agreement with China? Mauritius. Guess which country—a tiny island, with a small economy—has received over \$1 billion in investment from China over the last few years? Mauritius. The moment that we give Mauritius some of the outer islands, of which there are 58, it will lease one or some of them to the Chinese almost instantaneously. We do not know what conversations are taking place between Beijing and Port Louis, but we cannot discount what the financial statistics say about Chinese control of Mauritius.

Certain politicians and colleagues have made a nuanced argument to me: “Do not rock the boat; these are very delicate negotiations. We have to maintain our control over Diego Garcia. If that means giving away some of the other islands and coming to a compromise, so be it.” No. If the mantra is to keep Diego Garcia while giving some of the other islands away, imagine what would happen to the viability and sustainability of UK and American bases on Diego Garcia. It would be absolutely intolerable for us. I have visited our military bases on Diego Garcia. I have spent days meeting with American officials on the islands; they briefed me and showed me around the naval vessels and installations. Having those huge military bases with the Chinese just a stone’s throw away from us on the other islands would be completely unacceptable.

I visited Peros Banhos, one of the outer islands, after sailing overnight from Diego Garcia, which is where the military base is. Islanders on Peros Banhos were expelled in 1970 because the island was perceived to be too close to our military base. The Chinese have shown form. They are the world experts on turning atolls into military installations. There is an argument that Peros Banhos and the other islands are too small, too insignificant and too far below sea level for them to be viable. Well, the Chinese have proved that concept completely wrong; they have created installations successfully in the South China sea.

There has been an appalling injustice, which we must now right. Rather than accommodating the spurious demands of Mauritius, we need to consult the indigenous people living in Britain, Mauritius, the Maldives and

the Seychelles. I want to read a statement from Frankie Bontemps, who is a constituent of my hon. Friend the Member for Crawley. He is an NHS worker at the hospital in Crawley, and is from the Chagos islands. I had a long and somewhat emotional telephone conversation with him last night. He is a tremendous man, whom I look forward to meeting in the House of Commons. He writes:

“I am a founding member of Chagossian Voices. I don’t agree that islands should go to Mauritius. Chagossians have never been consulted at any stage and Chagossians were never represented, either at the International Court or before. Chagossians have been used by the Mauritian government at ICJ to get sympathy by providing an account of suffering... Then they were dismissed... as ‘Mauritians of Chagossian origin’. They have erased our identity.”

That is the allegation: “they have erased our identity”. The statement goes on:

“The Mauritian Government was also complicit in the exile of Chagossians and the ‘sale’ of the islands in 1965.”

That is a fascinating concept. Mauritius took £3 million of our taxpayers’ money in 1965. Think for a moment how much £3 million was in 1965. It took our money as final settlement for the islands. It was complicit in helping the removal of the Chagossians from Diego Garcia and the other islands, and now, 60 years on, it wants to overturn that agreement and take away from us islands that are more than 2,000 km away from it.

Mr Bontemps goes on to say:

“Chagossians do not feel they are Mauritians and Chagossians feel they are still being exploited by the Mauritian government. Mauritius wants sovereignty of the islands for financial gain and I do not think there will be resettlement of Chagossians”

under Mauritian rule. He goes on to say this, which is very evocative, powerful and emotional:

“It is wrong to describe Chagossians as Mauritians. Their origins are as slaves from Africa and Madagascar. The Chagossians have been there for 5 or 6 generations with their own language and culture, food and music traditions. It is a remote and unique culture different to Mauritius... The judgment of Lord Justice Laws & Mr. Justice Gibbs in November 2000 said Chagossians are the ‘belongers’ on the islands. As ‘belongers’ Chagossians should be their own deciders of their futures, not the Mauritian Government. Self-determination should have been for the Chagossians, not for Mauritians who have their own island more than 2,000 km away. So far only UK and Mauritius have been consulted. Chagossians have never been allowed to participate in decisions about their future, from exile until now. Chagossians should now be asked to decide the future of the islands. Chagossians should be around the table. It’s our human right.”

Mr Bontemps then goes on to say that he has written a letter to the Foreign Secretary asking for those assurances, dated 11 November 2022, and he has not as yet received a reply.

I would like to thank Rob Crilly, a reporter from *The Daily Mail* USA edition, who has written a story about this debate. As a result of it, I was contacted this week by Republican Congressman Mike Waltz, a ranking member of the military readiness sub-committee of the Congress of the United States of America. He is now likely to become chairman of that powerful and important group, as the Republicans recently won the congressional elections. US bases are under its jurisdiction. I had a long, fruitful discussion with Congressman Waltz’s team and highlighted my concerns about the negotiations that our Government have entered into with Mauritius. I briefed them about this debate, and they are extremely concerned by the news. They are worried about the

[*Daniel Kawczynski*]

ramifications for them and what will happen to their naval base if they have to share the archipelago with the Chinese.

Even if we retain Diego Garcia, the other islands will be up for lease to the Chinese. We have seen what Mauritius is doing with Agaléga—

Patrick Grady (Glasgow North) (Ind): Will the hon. Gentleman give way?

Daniel Kawczynski: In a second.

Agaléga is one of the Mauritian islands, which it has leased to the Indians. The indigenous population of that atoll has been removed and massive destruction has taken place on it to accommodate an Indian military base, so the Mauritians have form. They understand the importance of the Indian ocean and how geographically significant it is. Mauritius is in the market to gain as many of these atolls as possible and ultimately to sell them to the Indians, the Chinese or whoever is the highest bidder. That is in stark contrast to the United Kingdom, which is seeking to protect the 58 islands. A massive conservation area twice the size of the United Kingdom has been created around the islands, which is protecting marine and wildlife. There is no fishing and no oil drilling—nothing takes place. Anybody interested in what Mauritius is doing with these atolls should google that information. Mauritius wants the islands to sell them to make money. Ultimately, if we allow it to do that, it will facilitate the militarisation of the Indian ocean.

Patrick Grady *rose*—

Daniel Kawczynski: I am concluding my arguments—I will give way in a second—but what I would like to say is this. We have beaten the French to secure participation in AUKUS, which is one of the most important military agreements signed in the Government's tenure in office, and we are re-entering the Indian ocean and the Pacific through our arrangement with the Americans and the Australians. AUKUS is essential.

It was Lee Kuan Yew who remonstrated with the United Kingdom when we left Singapore in 1971. He understood the ramifications for that region were the United Kingdom to abandon her bases. In that period of retrenchment and lacking in self-confidence that we went through in the early '70s, we left all those areas, and Lee Kuan Yew and others foresaw the difficulties that would ensue. Finally, we have the confidence to re-enter the Indian ocean and the Pacific. The AUKUS military agreement is essential, in conjunction with our membership of the comprehensive and progressive agreement for trans-Pacific partnership—the far east trading bloc—which we are entering next year.

The islands are essential for our geopolitical strategy of supporting allies in the Indian ocean and the Pacific from growing Chinese belligerence. I speak as the only Member of Parliament to have been born in a communist country and the only British Member of Parliament who has lived under communist oppression and tyranny, so I know what the communists are capable of and I know how the Chinese communist Government threaten and bully many smaller countries in the region. As my

hon. Friend the Member for Bracknell (James Sunderland) said, it would be madness to allow the Chinese to enter the Indian ocean through its puppet client state of Mauritius.

I hope that the Chagossians following the debate across the United Kingdom, as well as those in Mauritius and the Seychelles, listen to us and hear the strength of feeling that many hon. Members have, demonstrating that we, as a former imperial power, recognise the mistakes we have made and that, in a new modern era, we will put the concepts of integrity and self-determination at the forefront. If any of the islands is to be abandoned, that can be done legitimately only through the acceptance of the Chagossian people, and the fascinating thing is that I do not think that that is there. I look forward to hearing from my hon. Friend the Member for Crawley (Henry Smith) and will stop shortly so that he can speak. However, in all my discussions with the Chagossians, I hear that they are up for this—they are up for remaining British. We can convince them to vote to remain British in a referendum. Will the Minister tell us why we are negotiating with the Mauritius Government before the Chagossians have been consulted?

The last thing I will say—I will use parliamentary privilege for the first time in 17 years—is that British citizens, who I will not name, are actively conspiring to aid and abet Mauritius to take these islands from the United Kingdom. I will not begin to tell hon. Members what I think of those individuals, but I very much hope that they will be thwarted in their actions.

2.59 pm

Patrick Grady (Glasgow North) (Ind): I am not entirely sure where to begin. I suppose I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski), and I welcome his interest in this issue. Many of us in the Chamber are members of the Chagos Islands (British Indian Ocean Territory) all-party parliamentary group and have spoken frequently in Westminster Hall and the main Chamber on the question of sovereignty and the rights of the islanders and their descendants. I do not recall ever seeing the hon. Member for Shrewsbury and Atcham at those APPG meetings. I have not gone through the minutes of all 30 meetings that have taken place since I joined in 2016, so perhaps I missed him.

Daniel Kawczynski: Can I put on the record that I have attended some of those meetings? I suspect that he is getting wrong information. We can show him accounts of me attending those meetings.

Patrick Grady: I am happy to stand corrected on that. As far as I could tell from a search of *Hansard*, the hon. Gentleman has mentioned the British Indian Ocean Territory once in his career in this place, which was last year in a debate on AUKUS. His peroration probably gave us a sense of the real priorities behind this debate.

At base level, I do not disagree. The Chagossian community should absolutely be involved and consulted in the negotiations on the future of the islands—many of us who have been involved in the all-party group have been campaigning on that for many years. I say “good luck” to him getting the United Kingdom Government to recognise the sovereignty of a people and that their democratic future should be decided in a referendum on the future of their territory, because the

UK Government are very clearly against that kind of democratic process. It is important that we find a way to make sure that the community are properly consulted.

I suspect that the issue will divert away from the specific question of sovereignty and to their rights and the future of their connection with the islands themselves. As the hon. Member recognises, the community is quite widely dispersed because of the historical actions of the United Kingdom Government. It is incredibly diverse as well, and different groups will have different views on exactly what a resolution should look like.

A mechanism that can include the diaspora would be welcome. It might be impossible, as he alluded to, but there is no reason that the Governments that represent them cannot put their interests at the forefront when they are at the table. He is right that there is a Chagossian community represented by the United Kingdom Government. There is a Chagossian community represented by the Government of Mauritius and a Chagossian community represented by the Government of the Seychelles, and there will be smaller diasporas elsewhere in the world. That is what parliamentary democracies are for and what democratic representation is for. That is what many of us would want to see achieved.

Human Rights Watch, which I am sure is an organisation that the hon. Gentleman engages with on a regular basis, has called for the inclusion of community voices, saying:

“Righting the half century of wrongs to the Chagossian people means full reparations – their right to return in dignity and prosperity; full compensation for the harm they have suffered; and guarantees that such abuses never happen again.”

That is where we ought to try to find some kind of consensus.

I come from a political tradition where sovereignty lies with the people; not with a Crown, not with a Parliament and certainly not with a Government. In reality, sovereignty always ultimately lies with the people. People have the fundamental human rights to freedom of speech, thought and assembly. Those are manifested in the right to live under the rule of law. Those rights can be denied, as they have been in the case of the Chagossians, but they cannot be taken away. That is why among all the negotiations are questions about the future of the base on Diego Garcia, which, incidentally—I wanted to ask about this in an intervention—probably took quite a lot of concrete to establish.

I am not sure if I completely understood the hon. Member’s argument. It appeared to be that in the 1960s it was okay for the United Kingdom to buy an island, militarise the south Indian ocean, pour lots of concrete on Diego Garcia and forcibly displace a population in doing so, but now it would be completely wrong for any other Government to consider such course of action.

The notion that we should tell other countries to do what we say and not what we do is not always the most conducive to building world peace and stability. In among all those questions, we have to put the interests of the community first. We as Members have a duty to scrutinise the Government and speak out on behalf of our constituents, whether they are members of the Chagossian community or—like those who contact me—committed human rights activists who believe that everyone in the world should enjoy the rights we too often take for granted here in the United Kingdom. I hope the

Government’s movements on this issue will at last lead to some kind of equitable status that resolves the question of sovereignty in international law, but more importantly, achieves justice at last for the people of the Chagos islands.

Judith Cummins (in the Chair): I intend to start Front-Bench speeches at 3.30 pm, so I ask Members to keep their comments to around four minutes. I call Henry Smith.

3.5 pm

Henry Smith (Crawley) (Con): Thank you, Mrs Cummins, for calling me in this important debate on the future of the British Indian Ocean Territory. I congratulate my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) and thank him for securing the debate and for the very powerful comments that he made in his introduction.

Injustice has been visited on the Chagos islanders for well over half a century. It was the Harold Wilson Administration that forcibly removed them from their homeland in the late 1960s, exiling them mainly to Mauritius, but also to some other locations such as the Seychelles. That was not a decision made by this democratic Parliament, but by Orders in Council. The way the Chagos islanders have been treated in Mauritius is really quite appalling: they have been treated as second-class citizens in that country, and the injustice upon injustice that they have suffered is intolerable.

I believe that the Chagos islanders should have a right of return to their homeland. I am pleased that as a result of the Nationality and Borders Act passed earlier this year, they and further generations have a right to settle here in this country: they are British citizens, and should be so by right. I am pleased that that has been recognised. However, the future of the Chagos islanders should be determined by them. The prospect of their future being decided by London, Port Louis, the UN in New York, the International Court of Justice in The Hague or wherever else—as has happened throughout the past half century or more—is fundamentally wrong. The Chagos islanders must be able to determine their own future.

Mention has been made by my hon. Friend the Member for Shrewsbury and Atcham of the strategic importance of the Chagos archipelago. Those islands were very strategically important during the cold war and during the actions in Afghanistan and Iraq, and they are very strategic again with a new cold war now seemingly having started as a result of Russian aggression. The point about the threat from China has already been made: the Chinese belt and road initiative has already resulted in Commonwealth countries in the Caribbean and the Pacific ocean coming under Chinese coercion and influence. There is a very real danger that if the British Indian Ocean Territory is ceded to Mauritius, there will be significant pressure to put Chinese military installations on those extremely strategic islands. That would be a major military and strategic error for the global community, and I wonder what discussions have been had with Washington regarding its views on defence and foreign policy should those islands be ceded to Mauritius. Perhaps the Minister could address that point.

[Henry Smith]

I will conclude my remarks by saying that as my constituent Frankie Bontemps of Chagossian Voices, who has already been referenced, has said, the vast majority of the Chagos community that I represent—I probably represent the largest Chagos community anywhere in the world—want to remain British, despite the appalling history that this country has visited on them. They must be consulted.

3.9 pm

Mike Kane (Wythenshawe and Sale East) (Lab): It is a pleasure to serve under your chairmanship, Mrs Cummins. I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing this debate. Since becoming a Member of Parliament, it has been my great pleasure to get thoroughly involved with the Chagos community in my constituency, which numbers 300 to 400 people. What a wonderful community it is! They celebrate their annual mass on Chagos Day at St Anthony's in Woodhouse Park, to which I am invited. The food is fantastic as well.

What a wonderful community, but what a horror story. I describe the Chagossians' removal from those islands in that era as the mother of all injustices. I have about 13 constituents who still remember the days and weeks that it happened; they have told me about having their crops burned and their animals shot, being forcibly lined up on a boat to sail 800 nautical miles away to wherever—the Seychelles or Port Louis, Mauritius—and having their way of life ripped asunder. They are some of the most horrific stories I have heard in my eight years in this place. Then, to compound what I have called the mother of all injustices, there was then the injustice of their treatment in Mauritius.

We have had 50 years of systemic failure—failing these people who live in systemic poverty. It is passed on from generation to generation. The reason why so many Chagossians live in the constituency of the hon. Member for Crawley (Henry Smith), I would say, is because they get jobs at the airport, as they do in my constituency. We have to do more. We have to go further and faster to begin to break down the systemic poverty that the Chagossians have suffered generation upon generation. I think we can do it.

The UK is subject to the rule of international law. The hon. Member for Shrewsbury and Atcham is right. We see at first hand China's tentacles everywhere in my constituency and in my city. There is no need to tell that to a Mancunian at the moment—we see what China is doing in its consulate in my city, where the consul general came out and dragged in Hong Kong protesters, beating them up. A foreign state in my city is perpetrating this. We had a wonderful relationship with that consulate for 60 years, but, in the last five or 10 years, we have seen the change in the authoritative tone of the Chinese Government.

But we are subject to the rule of law. This International Court of Justice ruling against us at the UN has forced us into a position. The UK has to enter some form of negotiations, and we should carry those out in a way that, as the hon. Member for Glasgow North (Patrick Grady) said, achieves good outcomes for the Chagos communities. Good outcomes mean the Chagossians getting British passports—how many of us who represent

Chagossian communities have struggled, following the treatment of the Windrush generation in the past few years, to get them ordinary British passports? It means getting the right to remain to do that, to allow them to get better jobs and bursaries for education and to enable them to send back the natives who came here if they want a burial on those islands.

I have, for all sorts of reasons, taken over the chairmanship of the APPG, on which I have sat for eight years. We have campaigned religiously to highlight the plight of this community. Next week, I will meet with Chagossian Voices again to hear at first hand their thoughts on these negotiations. In my first act as chairman, I wrote to the Foreign Secretary, who has now kindly agreed to come and address the group early in the new year, so we will get first-hand information about the stage of these negotiations and what the intent of the British state is.

Many of us present have campaigned for years on this subject. Let us make sure that we put the Chagossians, their rights and their dignity at the heart of everything we do going forward.

3.14 pm

Paul Bristow (Peterborough) (Con): It is a pleasure to serve under your chairmanship, Mrs Cummins. I congratulate my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing this debate.

What happened to the Chagossians between 1968 and 1973 was wrong. Britain pretended the Chagossians did not exist and that the islands were not permanently inhabited, and then we participated in forced mass deportation. These people were abandoned by Britain; in turn, in Mauritius, they faced poverty, disease and discrimination. The British Government made a mistake, but mistakes can be excellent learning opportunities. The first thing to do is to own the mistake and admit when we get it wrong. I think the British Government have tried to right that historical injustice. They have recognised the Chagossians as British subjects and there is now a thriving community here in the UK, but there is plenty more to do.

Another lesson that comes from making a mistake is to look to the future, communicate and not repeat that mistake. On the issue of communication, I think all MPs received a letter from representatives of the British Indian Ocean Territory citizens here in the UK, also signed by representatives of the British Indian Ocean Territory citizens in Mauritius. They say:

“We are aware of the negotiations discussing the future of the British Indian Ocean Territory and the Mauritian Government. We want to express our strong disagreement with this negotiation, which will have a negative impact on our ancestral islands.”

There is still time for the British Government to act on this.

A ban on resettlement of the Chagos islands in 2016 followed decades of unsuccessful legal challenges in the UK. The Government decided against resettlement of the Chagossian people to the British Indian Ocean Territory on the grounds of feasibility, defence, security issues and the cost to the British taxpayer, as well as the fact that there would be limited healthcare and education and a lack of jobs and economic opportunities. We all accept that it would not be easy, but I think that to try is the very least we owe the Chagossians. We have many successful overseas territories with small populations.

It is worth pointing out, by the way, that Mauritius is not next door to the Chagos islands. It is 1,300 miles away. For context, if we look at the difference between the Falkland Islands and Patagonia, we are talking only about 300 miles.

I had hoped we would right this historical wrong. Consultation with the Chagossians displayed 98% support for resettlement and a Government-commissioned feasibility study deemed resettlement practically feasible. However, to enter into negotiations on sovereignty of the islands with Mauritius without talking directly to the Chagossians is not right. When it comes to the Falkland Islands or Gibraltar, we do not accept that it is a bilateral issue between Argentina and the UK or Spain and the UK, respectively. No, we ensure the Falkland islanders and the Gibraltarians are of equal status.

Self-determination is not something we can choose when it is convenient to recognise. It is either important or it is not. Will the Minister meet representatives of the British Chagossians? I am pleased to hear the report from the hon. Member for Wythenshawe and Sale East (Mike Kane) that that will happen.

Will we allow the people who we removed decades ago to have a say on what happens to their homeland? They deserve representation. Let us not let history repeat itself because despite everything—and everything we have done to them—Chagossians are proud to be British. They deserve our respect, and they deserve self-determination. Let them have their say. We must not compound the error we made decades ago, because I do not think any of us want to be here in 30 years' time, admitting another historical injustice.

3.18 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on leading today's debate. It is good indeed to discuss the sovereignty of the British Indian Ocean Territory. I understand the hon. Member undertook a visit to the islands back in 2020—maybe even further back—after claims that the UK's exit from the European Union could hinder the sovereignty of the British Indian Overseas Territory. The hon. Gentleman indicated his knowledge in how he delivered his speech today.

We have maintained and created a stable relationship with our territories abroad and must ensure that we continue that, so it is good that we can be here to do just that. How do we do it? Some hon. Members have laid out their thoughts, while others are of a slightly different point of view, but we all wish to see the same delivery when it comes to solutions, because solutions are what it is all about. I always seek justice for those who have been wronged. The hon. Member for Peterborough (Paul Bristow) spoke about that earlier on. The first thing to do when something is wrong is apologise, recognise it and try to right it, and the hon. Gentleman has set out how to do that. Hopefully the Minister will be able to give us some help.

The UK shares an extraordinary defence facility with the US at Naval Support Facility Diego Garcia. The base is crucial to Anglo-American power in the region and extends upon the order we created throughout and after world war two. There have been discussions on handing over the sovereignty of the islands to Mauritius, undermining the legitimacy that Britain has over the

islands. Many Members here today have also raised concerns, which I will reiterate, about the potential for Chinese aggression across the world, especially in the Chagos archipelago. It is important to remember that international support must be built in order to retain the legitimate sovereignty that we already have.

In 1982, Margaret Thatcher set a precedent that the United Kingdom would do everything necessary to defend our overseas territories, especially when it came to the Falkland Islands. We have a duty to honour that same commitment, which we had to the Falklands, and also to Gibraltar, to which the hon. Member for Peterborough referred. It is important that the current Prime Minister carries on those legacies and promises to protect the sovereignty of all British territory abroad. The risks of handing sovereignty to Mauritius, with its deepening economic ties to Beijing, offer no guarantee to anyone that China will not soon have its own defence base on that very island.

The geography of Diego Garcia is also posing a problem, given its close proximity to China. It is only a few hundred miles south of the Chinese border, and it is the UK's only defence base situated between Iran, Russia and China. We have to be honest for our own safety in the role that we have. We simply cannot allow the base to come under Chinese control. Any insinuations that that will be discussed are very concerning. The naval base serves as a logistics and support base for naval vessels, warplanes, and special forces. I understand it is the only one of its type in that location.

The wildlife and environment of the British Indian Ocean Territory are exceptional. The territory has the greatest marine biodiversity—

Henry Smith: On that point about the environment, which is critical, a couple of years ago a Japanese oil tanker ran aground just off the Mauritian coast, and the Mauritian response was appalling. There are deep concerns that the pristine marine environment that we have around the British Indian Ocean Territory could be at risk. Will the hon. Gentleman join me in calling on the Government to ensure that that is not the case?

Jim Shannon: The hon. Gentleman anticipated my next sentence. The territory has the greatest marine biodiversity in the UK and its overseas territories. It is unique and has some of the cleanest seas. We always hear about how the oceans are full of plastics and so on, but it has the cleanest seas and the healthiest reef systems in the world, so we must protect the environment it surrounds.

The territory also represents a nearly untouched ocean observatory, which provides researchers across the world, from all countries, with a place like no other for scientific research. It is a unique location for scientific study, and expeditions have contributed towards the development of the territory as an observatory for undisturbed ecosystems. The UK respects that, but we have to guarantee that there will be no further threat from China in relation to marine biodiversity.

In conclusion, China poses a threat not only to the sovereignty of the islands, but to aspects of our world, too—particularly the environment that I referred to. Although the UK holds complete legitimate sovereignty over the islands, we must encourage our other colleagues to stop the calls for sovereignty going to Mauritius.

[*Jim Shannon*]

The success of the relationship has been maintained so far, and we should do what we can to prolong that for our own safety and as a base for our defence. It is time, as Margaret Thatcher said in 1982, to honour the people and citizens of these islands in the same way.

3.24 pm

Sir James Duddridge (Rochford and Southend East) (Con): Thank you, Mrs Cummins, for calling me to speak. I also thank my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) for securing this debate. He said he was going to focus on self-determination in particular, which is important. As other hon. Members have said, what happened originally when the base was set up and what happened to the Chagossian people was outrageous and wrong, and we apologise for that. However, I am not going to focus on that. There are bigger issues than self-determination and sovereignty—global security and defence.

The base was set up in the 1960s for very good reason: to mitigate against the Soviet and Chinese threat. Those threats are greater and more complex now than they were in the '60s and throughout the period of the cold war. It is unfeasible for the islands to be repopulated. I visited some of the outer islands, where there were lots of graves of small children, as people died very young. The business related to palms that sustained the islands was reducing even before the atrocity of the removal of the individuals.

On the main island, the base is absolutely essential. It is home to an airport from which multiple aircraft, including spacecraft, can be flown. There is hardstanding from which tens of thousands of troops can be deployed around the world. In a protected area, there are a large number of ships storing military equipment. It is perhaps wrong to call them ships. They are seven or eight-storey car parks. On each level, there is bulletproof machinery, diggers, tanks, and armoured personnel vehicles that drive off the seventh floor into the water and can then invade land. There are 350 places around the world from which to deploy and sustain that level of troop commitment. It is a massive facility for global security and the defence of the world. We need to consider that alongside legitimate sovereignty and self-determination issues.

There was originally a 50-year lease that was rolled over to a 20-year lease, and there is now talk of an offer from Mauritius of a 99-year lease. I urge the Government to think about Hong Kong. A 99-year lease seems a long time, yet we have seen what happened in Hong Kong with China. Whatever we do, the global community, which to be honest relies heavily on the Americans, needs that facility to protect global citizens. That should be at the forefront of the Government's mind, while trying to protect and improve the lives of Chagossians here, in the Seychelles and Mauritius. I have met with all of them and there is a pragmatic understanding. There is a desire to move back, but there is a practical understanding that that would be very difficult, even without the American base and British sovereignty issues.

Judith Cummins (in the Chair): I will start speeches from Front Benchers now with Alyn Smith.

3.28 pm

Alyn Smith (Stirling) (SNP): It is good to see you in your place, Mrs Cummins. I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing this interesting debate. We have had a good exchange of views this afternoon. I am delighted to hear that so many colleagues are in favour of the right to self-determination, and we will be back in touch about that on more domestic matters.

On the Chagos islands, I will try to strike a note of consensus with the old story of the American tourist who was lost in rural Ireland and asked his way to Tipperary, and the local farmer answered: "Ah, for sure, if I was going to Tipperary, I would not start from here." I think we can all agree that an historic injustice has been done to the Chagossian people, and I hope we all agree that that injustice continues. Frankly, I am not interested in which Government or Department did it or how it was done. The British state has a debt to these people, and there is an injustice to focus on above all else.

Starting from first principles, the SNP believes that people, not crowns or Parliaments, are sovereign, as my good hon. Friend the Member for Glasgow North said. We believe that the state should serve its people, not the other way round. Indeed, we believe that people should choose their state, not the other way round. We also believe in the right to self-determination, which is one of the main reasons why the SNP exists and is in business.

We also recognise, of course, that international law is sometimes messy. Black and white is not necessarily one size fits all, especially when it comes to the Chagos islands. The way that this was done and the situation of the Chagossian people has been analysed in international courts and a number of credible, serious organisations. In February 2019, the International Court of Justice ruled that the UK's occupation of the archipelago is illegal: that is a matter of fact. In May 2019, the matter was taken to the General Assembly of the United Nations and there was an overwhelming vote to condemn the UK's continuing occupation of the Chagos islands. In January 2021, the UN's International Tribunal for the Law of the Sea upheld the view of the General Assembly that the UK is in the wrong.

What we have heard today is the reality of power politics and big-state politics, but we cannot have both. The Chagossian people are owed a debt by the Government, the Administration and all of us. I was glad to hear the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) apologise, as I think we all owe an apology to the people of the Chagos islands.

I have some concrete questions for the Minister. Talks have started with the Mauritian Government, but what is their timescale? I have seen one timescale that suggests they will be wrapped up in a matter of months, early next year, but that strikes me as a little ambitious. What is the Minister's assessment of that timetable?

Lord Ahmad announced funds to compensate the Chagossian people, but what progress has been made with them? The funds struck me as inadequate and the 10-year timescale seems rather longer than it need be. What are the ramifications and the details of that proposal?

Where does the Minister think the UK's credibility lies on this matter? I have spoken to a number of colleagues in the European Parliament and to representatives to the UN, and the issue is doing real damage to the UK's credibility. The UK says it believes in the rule of law and in international co-operation, but this is an example where that is not the case. The UK Government need to take the issue far more seriously than they have done so far. The priority has to be the Chagossian people themselves and the historic injustice that has been done to them.

3.31 pm

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): It is a pleasure to serve under your chairpersonship, Mrs Cummins. I thank the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) for securing the debate at this critical time of change for the Chagos islands, and I thank colleagues for the range of comments and contributions they have made to the debate.

I am not sure whether to thank the hon. Gentleman for the comments he made about me at the start of the debate, but we had a very enjoyable trip to the Falkland Islands. I will be making declarations about that trip in due course. I agree with the hon. Gentleman's characterisation of our united position on the Falkland Islands and our resolute support for them. That is the Opposition's long-standing position, which I have reiterated on many occasions, including well before the visit and in relation to our position on other British overseas territories.

From the outset, I gently say that I do not accept a number of the hon. Gentleman's historical analyses and comparisons. Neither are they supported by the House of Commons Library briefing that has been provided for this debate, or by statements made by the Governor of the Falkland Islands and the Chief Minister of Gibraltar. When we talk about our overseas territories, it is important that we understand their distinct and different situations. The situation around the Chagos islands is particularly complex and nuanced, and we should take it in that vein and not make comparisons to other overseas territories.

I pay tribute to colleagues across the House, particularly those with Chagossian communities in their constituencies, for the advocacy and support they have provided over many years on this issue, which is sensitive and painful for those communities, and for raising concerns about our diplomatic standing and commitments internationally. I express my gratitude to the all-party parliamentary group on the Chagos islands, of which I am a member, for its tireless efforts in keeping the Chagos islands on the political agenda and for meticulously scrutinising the policies of successive Governments.

The Opposition welcome the Government's decision to begin discussions with Mauritius about the future of the islands, but I will set out some detailed questions and concerns on the matter. We have to be guided by a few key principles, so my questions are not in order of priority. We must understand concerns about our national security and that of our allies and strategic partners; our compliance with international law and upholding our international obligations, and the consequences if we do not do that; and the rights and wishes of the people of the Chagos after decades of pain and hardship.

I have personally met and heard from many different representatives from the Chagos community over many years. I have heard different views expressed by different

parts of the community, but it is crucial that their distinct and different voices are heard in the process. We should also be concerned about other crucial issues, particularly the protection of the environment and the marine ecosystems around the archipelago, which a number of hon. Members have raised.

This is a deeply complex issue, and I want to start with the question of the rules-based international order, which must be central to UK foreign policy. This historic injustice continues to prevent us from adhering to that, and I share the absolute and deep regret for the past actions of previous Governments, including Labour Governments. The actions taken in the late 1960s and early 1970s were completely unjustifiable. A number of us will have read the shocking documents from that period and the language expressed in them, which was completely and utterly unacceptable. We have a fundamental moral responsibility to the islanders that will not go away. I remain convinced that there must be a lasting resolution to this challenge that lives up to our moral and legal obligations, that draws on the views of Chagossians around the world and that is reached in co-operation with our partners and allies. There must be an apology from all of us—there certainly is from our side—for those past actions, but we need to look to the future and to what is being done for Chagossians today, not just in relation to the situation in the archipelago, but for Chagossians here in many communities.

The ICJ in 2019 was unequivocal in its ruling that

"the United Kingdom is under an obligation to bring to an end its administration of the Chagos Archipelago as rapidly as possible".

That was adopted after a vote of 116 to six by the United Nations General Assembly, which called on the UK to

"unconditionally end its occupation of the Archipelago as soon as possible."

That was supported by the 2021 ruling of the special chamber of the International Tribunal for the Law of the Sea. Although the tribunal did not have competence on territorial disputes, it stated that

"Mauritius' sovereignty over the Chagos Archipelago can be inferred from the ICJ's determinations."

Unfortunately, the Government have spent several years simply ignoring and denying these developments, and that has damaged our diplomatic reputation with not just Mauritius but many other countries across Africa, Asia and the Pacific, and with a range of international legal and human rights bodies. Even the Maldives, which historically has been aligned with the UK Government position on this matter, recently changed its position to align with the rest of the international community.

I take on board the comments made by the hon. Member for Shrewsbury and Atcham on China and its expansion in the South China sea, the Indian ocean and beyond, and he raises some legitimate concerns, although I do not accept his wider characterisations of Mauritius. It is a fact that China has made increasing encroachments into the territorial waters of its neighbours and vast claims in the South China sea while ignoring judgments against itself. That has been matched by a growing assertiveness, and even belligerence, towards some of our allies and partners in the region, so I hope the Minister can set out what assurances we have had on these matters and on China's activities in the region.

[Stephen Doughty]

It is my view that the inverse will play out if we do not resolve this matter, because if this is unresolved in terms of international law, it will only play into the hands of China and others who seek to undermine international judgments and law. When we want to call on China to comply with the Permanent Court of Arbitration's judgment on the South China sea, it will say, "Well, you are not in compliance with the ICJ or the International Tribunal for the Law of the Sea". That could be the case for a number of other maritime and territorial disputes that it is in our interests to pursue and defend resolutely. We cannot have one hand doing one thing and the other doing the opposite.

Of course, we must also do the right thing for the Chagossians. The various support packages that were announced have not been followed through, and very little money from that £40 million package has been spent. The last answer I had said that only £810,000 of it had been spent. That is completely unacceptable, and I hope the Minister can say something about that. What discussions has she had with all the different Chagossian groups located not just here in the UK, but in Mauritius, Seychelles and elsewhere?

Daniel Kawczynski: Will the hon. Member give way?

Stephen Doughty: I am conscious of the time, so I will not. I want to speak about the costs the UK Government have incurred defending the indefensible on the legal position. An answer I received said the UK had spent nearly £6 million on external legal services relating to defending cases that the Government then lost in the ICJ. That is clearly unacceptable at this time of pressure on the public purse. Could the Minister update us on how much money has been spent on defending the previous position?

Citizenship has rightly been raised by a number of hon. Members, including my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane). The Nationality and Borders Act 2022 created an entitlement for direct descendants of Chagossians who were not already citizens to acquire British nationality. I understand that the process opened in November, but I hope the Minister can set out what will be done to address the issue of Chagossians being denied that right to British nationality and to ensure they get what is rightfully theirs. We know that previous negotiations have not gone well and that they broke down in 2009, 2016 and 2017. Will the Minister speak about the tenor and tone of the negotiations and how we will ensure that they go forward in a constructive spirit to achieve an agreement?

On defence, it is crucial that we understand, as many Members have rightly said, that the United Kingdom-United States defence facility in the territory plays a vital role in keeping us and our allies safe. It plays a role in monitoring drugs and piracy, and in the national security activities of regional partners. It supports allies from many countries, and it carries out nuclear test ban monitoring and regional humanitarian efforts. Can the Minister say what discussions have been had with our allies, particularly the United States, about those negotiations and ensuring we maintain our defence capabilities in Diego Garcia?

On the environment and the maritime importance of the islands, we recognise the judgment in relation to the Mauritius Ports Authority, but, given the importance of the archipelago, it is clear that we need to protect that environment. What discussions have been had on that with Mauritius and other partners in the region, as well as with the Chagossians, who believe in protecting their environment and historical homeland?

I will conclude by saying there have been some important questions asked today and some very reasonable contributions. I do not agree with all of them, or with the tenor of some of them, but this is a complex and nuanced issue and it requires a complex and nuanced solution. We want to engage with Chagossians here in the UK, and we will work constructively with the Government to find a permanent and equitable settlement that will end decades of pain for so many, while addressing legitimate concerns about defence, security, the environment and the right of return for Chagossians.

The ultimate problem here is that this issue is hampering our diplomatic position in the world and having much wider implications. We must remember that this was an historic injustice committed against a people by a past Government, and those people have to be at the heart of any solution.

3.41 pm

The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan): I thank my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) for securing this important debate. Hon. Members have all highlighted the UK's recently opened negotiations with Mauritius on the exercise of sovereignty over the British Indian Ocean Territory, also known as the Chagos archipelago. The Foreign Secretary announced the beginning of the negotiations on 3 November. That followed discussions with Mauritius at the Commonwealth Heads of Government meeting in June and at the UN General Assembly in September.

I can confirm that negotiations have formally begun. Officials from the United Kingdom and Mauritius met on 23 and 24 November, and they had constructive discussions. They will meet again shortly to continue those discussions and negotiations. Hon. Members will appreciate that we will not provide any detail on the content of ongoing discussions or speculate on the outcome. However, I commit to and reassure Members that we will keep them and Parliament informed at key junctures through the process.

The UK and Mauritius intend to secure an agreement on the basis of international law to resolve all outstanding issues. I anticipate any agreement will be subject to parliamentary scrutiny under the Constitutional Reform and Governance Act 2010 in the usual way. Let me be clear that both the UK and Mauritius have reiterated that any agreement between us will ensure the continued effective operation of the joint UK-United States defence facility on Diego Garcia. For more than 40 years, this joint base has contributed significantly to regional and global security. It is the result of a uniquely close and active defence and security partnership between two longstanding allies.

The base helps the UK, US and other allies and partners to combat some of the most challenging threats, including from terrorism, organised crime and instability.

The base is well positioned as a key enabler for maritime security, including the protection of regional shipping lanes from threats such as piracy. Diego Garcia also plays a key role in humanitarian efforts, ready for a rapid response in times of crisis or disaster in the region. That includes during the 2004 earthquake and tsunami in the Indian ocean, the 2011 earthquake and tsunami in Japan and the 2013 typhoon in the Philippines. The base plays an important part in assisting the operation of the global positioning system, GPS, and helping the international space station to avoid space debris and prevent satellite collisions.

We are alive to concerns about influence from malign actors in the Indian ocean. My right hon. Friend the Foreign Secretary acknowledged these concerns when he gave evidence to the Foreign Affairs Committee on 14 November. He assured the Committee that this is an issue we take very seriously and that we will ensure it is at the heart of our position during the sovereignty negotiations with Mauritius.

Reaching a negotiated agreement on the archipelago will allow the UK and Mauritius, as close Commonwealth partners, to work even more closely together. This will help us to tackle the regional and global security challenges that we both face, along with our wider partners, and avoid the expansion of malign influences into the Indian ocean. It will include promoting human rights and maritime security while tackling illegal migration, drugs and arms trafficking.

We are also keen to strengthen significantly our co-operation with Mauritius on marine and environmental protection in particular. My hon. Friend the Member for Crawley (Henry Smith) set out some historical issues where those challenges were perhaps not managed as well as they needed to be. The archipelago boasts incredible marine biodiversity, as well as some of the cleanest seas and healthiest reef systems in the world. They support six times more fish than any other Indian ocean reef.

The marine protected area is one of the largest in the world. It prohibits all commercial fishing and extractive activities, such as mining for minerals, oil and gas, and it forms a substantial part of the UK Government's Blue Belt programme. The area hosts many scientific expeditions, as part of our call for an international target to protect at least 30% of the global oceans by 2030. We will push for this ambitious target at COP15 in the weeks ahead.

We recognise the views of the diverse Chagossian communities in the United Kingdom, Mauritius and the Seychelles. We recognise the diversity of views in those communities and we take those views very seriously. Although the negotiations are between the UK and Mauritius, we will ensure that we engage with the communities as negotiations progress, and I note the kind invitation from my hon. Friend the Member for Peterborough (Paul Bristow) to meet some of those communities.

The UK has expressed our profound and deep regret about the manner in which Chagossians were removed from the islands in the late 1960s and early 1970s, and colleagues have done so again today. I hope that sense of horror and dismay at what happened all those decades ago continues to be reiterated. We are committed to supporting Chagossians, wherever they live, through the £40 million Chagossian support package, which is funding projects in the UK and overseas. I commit to

writing to the hon. Member for Wythenshawe and Sale East (Mike Kane) to set out in more detail how that work is progressing.

We have taken other steps to support the community. On 23 November, the UK Government launched a new route to British citizenship for all Chagossian people and their children, free of charge. This new route will give anyone of Chagossian descent the opportunity to build their future in the United Kingdom should they wish to do so, holding British citizenship.

I have talked about ways in which the UK and Mauritius could strengthen our work together. The backdrop to this is our close Commonwealth partnership and our deep historical ties. We are the second biggest export market for Mauritius, while Mauritius is our sixth biggest market in Africa for trade and investment. We are proud of the active Mauritian diaspora in the UK, and hundreds of Mauritian students study in our universities every year. Meanwhile, our tourists flock to Mauritius, accounting for 15% of its visitors annually.

Mauritius is a leader among small island states in tackling climate change. The UK welcomes it as a new pioneer country for the Taskforce on Access to Climate Finance and will act as an anchor donor for Mauritius.

Daniel Kawczynski: I am very grateful to my right hon. Friend for giving way. The main tenet of my discourse this afternoon was to try to get a commitment from her for a referendum of the Chagossian people before any decision is taken. Can she give me that commitment?

Anne-Marie Trevelyan: As I have set out, we will be making sure that we have close discussions, not only with Mauritians but with those communities as well. As the negotiations progress, we will keep colleagues and Parliament abreast of how they are developing.

As we look forward, we aim to work even more closely with Mauritius to tackle the incredibly important regional and global security challenges that we all face. We remain fully committed to ensuring the effectiveness of the base on Diego Garcia, for the benefit of regional and global security.

3.49 pm

Daniel Kawczynski: I am very grateful to my right hon. Friend the Minister for the assurances that she has given, and for agreeing to write to the shadow Minister, the hon. Member for Cardiff South and Penarth (Stephen Doughty), on some of the points that he raised.

I heard the Minister say that there will be extensive consultation with the Chagossians, but I still have not heard from her lips that there will be an internationally recognised referendum. My hon. Friend the Member for Rochford and Southend East (Sir James Duddridge) rightly asked questions about how it would come about—the matrix, framework, dynamics and legality of it. I could not agree with him more. There have been referenda in other parts of the world under difficult circumstances and people were able to cast a vote.

I should let my hon. Friend the Member for Crawley (Henry Smith) know that I hope to meet Mr Bontemps next week. Mr Bontemps told me in no uncertain terms that, wherever the Chagossians are—Mauritius, Seychelles,

[Daniel Kawczynski]

Britain or anywhere else—they are up for remaining British. As part of the British family, our duty and responsibility first and foremost—trumping even international court decisions—is to those Chagossians.

Jim Shannon: On a point of order, Mrs Cummins. I have spoken to the Doorkeepers about this room. It is so cold you could hang dead people in here and they would not go off. The Doorkeepers have asked the staff to do something with the heating. They say the heat is turned on. I am not sure where it is, but it is not on here. Can I ask, Mrs Cummins, that you use your power as Chair to do something about that?

Judith Cummins (in the Chair): I thank the hon. Gentleman for raising that issue. I know that the Doorkeepers are busy, and I am very aware of just how cold it is in here. I am sure that that will be on the record.

Question put and agreed to.

Resolved,

That this House has considered the sovereignty of the British Indian Ocean Territory.

3.52 pm

Sitting suspended.

Free Bus Travel: Care Leavers

4 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I beg to move,

That this House has considered free bus travel for care leavers.

It is a pleasure to serve under your chairmanship, Mrs Cummins. I am pleased to have the opportunity to make this case, as I have a long-standing interest in the challenges that care leavers face, which I pursue as the chair of the all-party parliamentary group for looked after children and care leavers.

Those in care and care leavers have many issues to contend with. There are about 80,000 children in the care system across England and Wales, with about 10,000 attempting to exit the system each year. Children and young people in care tend to do less well on a number of indicators. They do less well in education and training and end up with lesser qualifications. Nearly half experience mental health difficulties, and an estimated 25% of homeless people have been in care at some point in their life. From age 18, many young people are expected to become independent and manage their own affairs. A wealth of research shows just how financially vulnerable care leavers are, and obviously the cost of living crisis will only exacerbate the difficulties they face.

I am conscious that the Under-Secretary of State for Transport, the hon. Member for North West Durham (Mr Holden), will reply to the debate, so let me be clear at the outset why I requested the debate, and why I am pleased that he is responding. There is a tendency in both national and local government to see issues involving the care system as the responsibility of the Department for Education, or of children's and education departments in local government, but one clear theme arising from the recent inquiry chaired by Josh MacAlister is the corporate nature of parenting, and how responsibility for those who experience the care system is a cross-Government and cross-departmental responsibility.

For many care-experienced young people, travel can almost become a luxury. They are unlikely to afford to own, or even run, a car, so they are heavily dependent on buses, not as a luxury but as an essential. The average cost of a bus pass is about £18 a week, which represents a third of the income of care leavers under 25 on universal credit.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing forward the debate, and thank him for highlighting the issue. As he outlined, those care leavers under 25 on universal credit do not have much money to start with. Does he agree that they, and care leavers seeking employment, need to afford buses, so that they can get to appointments and get a job? The Government have been keen to encourage young people to get jobs. Does he feel that free bus travel would enable young people to get the opportunities in this life that they need?

Steve McCabe: I thank the hon. Gentleman for that intervention. I will say a bit more about the work situation later. We have a problem with vacancies that cannot be filled, and the travel-to-work pattern is the obstacle in some situations. If youngsters are looking to move outside their immediate area to find employment that works for them, they have to be able to travel, so he is quite right.

Travel is not a luxury for the very reasons the hon. Gentleman set out. It is essential to attend work and interviews, go to the jobcentre and remain in touch with family, friends and former foster carers—the normal social links that the rest of us take for granted. A lack of access to transport can contribute to young people feeling cut off and isolated. One in five care leavers already identifies loneliness as an acute problem.

A recent Barnardo's report, "Transport for Freedom", makes a powerful case for extending free bus travel to care leavers aged 18 to 25 in England. If the Minister has not already seen it, I will be happy to furnish him with a copy. The Barnardo's campaign is inspired by work that it undertook in Cornwall in 2021, when it teamed up with Carefree, a local charity, to run a pilot project with support from bus operator First Bus. It provided free bus passes for local care leavers for a year. I ask the Minister to consider the report when he has an opportunity, and I would like him to agree to meet me and representatives of Barnardo's to discuss issues raised in it, and the potential for a scheme for care leavers in England aged 18 to 25.

The Scottish Government recently recognised the important role that bus travel can play in improving the lives of young people, and introduced a national scheme of free bus travel for all young people under the age of 22. There are schemes for other groups, including some vulnerable groups. The English national concessionary travel scheme, with which the Minister will be familiar, provides free off-peak bus travel in England for pensioners and those with a disability.

Some bus companies have their own schemes. One of the biggest is Back on Board, which is offered by Stagecoach. It gives jobseekers a 50% discount on bus travel to help them attend job interviews. That is the point that the hon. Member for Strangford (Jim Shannon) made. Some areas have their own schemes. Greater Manchester offers free bus travel to all care leavers aged 18 to 21 in its 10 authorities, and Newcastle has recently started a pilot looking at care leavers aged 18 to 25, offering free travel on the bus and metro network. I believe that the Mayor of London is also looking at introducing a reduced fare scheme on the London transport network some time next year.

Those schemes are good, but they are inevitably thinly spread. In these difficult economic times, the vast majority of local authorities have no such support. Some care leavers can seek help if they can negotiate the system by applying for discretionary awards, but in an era of ever-tightening budgets, they are harder and harder to access.

Based on the average weekly cost of a bus ticket of £18.77 and a take-up rate of around 76%, which the Minister will recognise is equivalent to similar national concessionary bus travel schemes, Barnardo's estimates that a national scheme for all care leavers aged 18 to 25 would cost £77 million. That is not cheap, but when we think about the costs incurred for care leavers for other support after a life in care, it may be a figure worth exploring.

I do not deny for a second that the money would have to come from somewhere, but I note that a study of the English concessionary travel scheme shows that, for every £1 invested, nearly £3 of benefits were created in a host of ways, whether in reduced demands on the health service or better employment and tax returns.

That is not to mention the benefits of creating a culture where there is a healthy desire to use public transport from a young age—something I am sure the Minister is anxious to promote. Beyond the return on investment, there is both a social and a moral case for supporting young care leavers by providing free bus travel. When we add the distinct economic benefits of doing so, the case becomes clearer and clearer.

Will the Minister take advantage of the opportunity of the MacAlister report to talk to his colleagues across Government? The Government have said that they are considering the implementation plan for the children's social care review and hope to make announcements early in the new year. This is a classic example of the need to overhaul the package of support we provide for young people in care. We should remember that the reason most young people end up in care is that the state determines that the quality and nature of care they are experiencing in their existing arrangements is not good enough, so the onus is on us to guarantee that the care they receive while they are in the system and as they leave it is infinitely better than it was before. At times, it is in danger of not being as good, which is clearly not an acceptable state of affairs.

Jim Shannon: I have been listening intently to the hon. Gentleman. While I am ever mindful of the fact that these children are coming out of the care system, does he think that free bus passes could be tied to seeking employment? That would give care leavers an incentive to seek employment and would help the Government to achieve some of their employment goals.

Steve McCabe: That would be an extremely valuable use of the idea. As I said, it is not the only reason for considering this proposal, but it is a crucial reason.

Will the Minister commit to assess the impact of extending concessionary bus travel schemes to other vulnerable groups and consider that in the context of care leavers? His Department will have considerable data on the issue already, so will he look at that in the context of care leavers? When time allows, will he meet me and representatives of Barnardo's in the new year to explore the potential for introducing such a scheme? Will he talk to his colleagues across Government about the opportunity presented by the implementation plan for the independent review of children's care to bring forward such a measure, which would clearly be in keeping with the thinking of the MacAlister review?

We are at that time of year—the season of good will—when the Minister gets the opportunity to play Santa, and I get the opportunity to tell him all I want for Christmas. On this occasion, I want him to agree to that meeting, look at those reports and review this proposal in the context of children leaving care. I ask him to give it serious consideration. I would prefer him to say that I can just have it, but I will settle for serious consideration of introducing, at the very least, a decent pilot scheme for concessionary or free travel for 18 to 25-year-old care leavers, so that we can do our best by them.

4.15 pm

The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden): It is a pleasure to serve for the first time under your chairmanship, Mrs Cummins. I start by thanking the hon. Member for Birmingham,

[Mr Richard Holden]

Selly Oak (Steve McCabe) for bringing the debate forward, and I congratulate him on securing it. As chair of the APPG for looked after children and care leavers, he has done a huge amount in this area, and continues to do so. On a personal note, let me say more power to his elbow, because he does a great job of advocating for those who, too often, do not have a voice in this place.

The hon. Gentleman is right that there is a cross-Government responsibility to care leavers, whether on the part of the Department for Work and Pensions, as he and the hon. Member for Strangford (Jim Shannon) mentioned, the Department for Transport, the Department of Health and Social Care or the Department for Education.

We know that buses are the foundation of an efficient and inclusive public transport system. The hon. Member for Birmingham, Selly Oak was right that I have a healthy desire to increase public transport use, particularly following the pandemic, when we saw a drop-off in ridership, with the biggest fall happening in concessionary schemes for the elderly and disabled. I hope the hon. Gentleman will welcome some of the schemes to re-boost ridership over the coming few months. It is only through usage that we can help to keep buses sustainable for everybody to use.

As the hon. Gentleman mentioned, buses provide important access to employment, as well as education, leisure and other crucial connections that are valued by so many, including care leavers. In England, we provide free bus travel for those who are older or who have certain disabilities, and that important scheme helps maintain the network of bus services. It is also well used and popular, with more than 860 million journeys made in the year before the pandemic and take-up of around 80%, as the hon. Gentleman mentioned.

The Government are committed to bus services, and we provided £2 billion during the pandemic to keep them going. We have continued to provide support for the sector, which is helping to maintain services. It is not just about maintaining our existing network of bus services, but expanding it in scope and quality, through the city region sustainable transport settlements, the zero emission bus regional areas fund and, crucially, the bus service improvement plans. We aim to transform the quality of bus services across the country.

Why do I say all of that? Free bus travel does not mean much if there is no bus service. Our approach with the national bus strategy, as well as the enhanced partnerships and franchising we have enabled under the Bus Services Act 2017, will put buses on a more sustainable, long-term footing as a key part of England's transport network.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): The Minister is right to point out the challenges of running a bus service when there are not enough customers to fund it. There are concessions for many groups in society, so might he at least take away from this debate the potential to look at this proposal, given the vulnerabilities of care leavers? We are dealing with a vulnerable group that is disadvantaged in many ways, for whom this could be a great benefit.

Mr Holden: I thank my hon. Friend for that point, which I will come on to address and which has been well made by both him and the hon. Member for Birmingham, Selly Oak.

We know that care leavers face massive challenges, including with transport. They need to get to work, education and training, as well as to have social interactions that are sometimes more difficult for them. The issue is of interest to me because of my previous life as a special adviser in the Department for Education, and I did a lot of work on it at the time. The “staying put” and “staying close” schemes have been really important in that respect. It is also important that we recognise that we have an extra responsibility to care leavers beyond the age of 18, and there has been important movement on that in recent years. That is where the Barnardo's report is driving forwards today.

However, we could do more across Government. We have heard about the real and significant difficulties that exist, which the hon. Member for Birmingham, Selly Oak described so well. I am happy that a number of local authorities are already providing support, and the hon. Gentleman mentioned some of them. The work Barnardo's undertook demonstrated that only 11 local authorities of the 116 that responded provided no transport support for care leavers. So only a few provide absolutely no help but, as the hon. Gentleman mentioned, much of that is discretionary, and those authorities are under pressure.

The hon. Gentleman mentioned the Greater Manchester scheme, which has been in place since the end of 2019 and offers free travel up to the age of 21. Many other places provide that discretionary help, but perhaps the hon. Gentleman thinks we need to look beyond bespoke pathways. Since the publication of the report in July we have also seen a pilot launch in my part of the world, the north-east, as the hon. Gentleman mentioned. More than 300 young care leavers have been offered free transport across Tyne and Wear. That pilot, which is a partnership between the councils, bus operators and the NHS, demonstrates how improving opportunities for care leavers touches many aspects of public services, as the hon. Gentleman mentioned. If the pilot is successful, it will be rolled out further locally using the BSIP funding, on which my Department is currently in negotiations with north-east authorities. That is a small part of the wider changes to bus services in the north-east, which I am keen to support as the Minister responsible. However, at the same time as praising the value of these trials, I must acknowledge that we face a tough fiscal environment, as noted by the Chancellor in his fiscal statement. Sadly, I am not sure that the Treasury would allow me to play Santa, even at this time of year.

As the hon. Gentleman noted, providing universal bus travel would cost around £77 million—adding around 7.5% to the current concessionary schemes. I am sure hon. Members present are aware that concessionary travel is managed by local authorities. In many ways, they do not get sufficient credit for operating—sometimes almost invisibly—the complex system of transaction and reimbursement around the concessionary scheme. That scheme needs to be sustainable in the long term. I am happy to say that 76 of the 83 authorities have chosen to enhance the scheme using their own resources, above what the Government provide.

If we wish to add further complexity to this locally run and operated system, it should meet three criteria: it has to be deliverable, effective and affordable. In many ways, the third part is enabled by the first two. The hon. Member's proposals face some short-term challenges in terms of affordability, and I have gone into those. In terms of deliverability, the legislative regime would face challenges in simply providing for care leavers to receive free transport nationally. There would need to be changes to the Transport Act 2000. I am sure hon. Members present appreciate that that cannot be done overnight.

In terms of effectiveness, that is perhaps where we could benefit most from further work. As I have mentioned, trials and projects are under way in England to provide free transport for care leavers. My officials have recently been in touch with officials from some of the key authorities trialling these projects. I will ask to be kept apprised of developments and any evaluation of the trials, including the impact on employment outcomes, which the hon. Member for Strangford mentioned. It is perhaps worth mentioning that these schemes do not involve the English national concessionary travel scheme or legislative change, and they are seeking to do things more quickly by getting existing smart-ticketing products to care leavers. This is something local authorities could do with their own resources, and I will be very interested to see the outcomes of the trials.

I have previously mentioned the care leaver covenant, which is a fantastic initiative designed to provide support for care leavers, not just within Government, but across the public, private and voluntary sectors. My Department has played its part in that by participating in the civil service care leavers internship scheme. I would love to see transport providers, including bus operators, sign up to the covenant and provide free or discounted travel to care leavers to recognise the importance of inclusion across our society.

We take seriously all requests for extensions to concessionary travel, including for care leavers—I certainly do—but we have to balance them with universal changes, the financial sustainability of the scheme, local areas' knowledge of how their transport networks work best, and how quickly we can deliver the changes we want.

In closing, I again thank the hon. Member for Birmingham, Selly Oak for calling for the debate, and I thank other Members for their contributions. I will meet the hon. Gentleman and Barnardo's in the new year—possibly in Cornwall, where Barnardo's scheme has been in place, because it would be interesting to see it on the ground. I will continue to look at the issue as part of our reviews of concessionary schemes. Perhaps there will even be a fourth-Session Bill—the hon. Gentleman could help me by lobbying broader Government in that direction. I will continue, as he asked, to engage across Government in this space, which is important, particularly in terms of employability and helping young people leaving care to make connections that will put them in good stead for the rest of their lives. This is a vital issue, and I look forward to engaging further with the hon. Gentleman and other hon. Members as we seek to improve concessionary travel across England.

Question put and agreed to.

4.26 pm

Sitting suspended.

Employment and the High Street

4.30 pm

Catherine West (Hornsey and Wood Green) (Lab): I beg to move,

That this House has considered employment and the high street.

It is always a pleasure to serve under your chairmanship, Mrs Cummins, and it is fantastic to see so many Members here. Members will be pleased to hear that I will not make too long an introductory speech, so that we can squeeze everybody's constituencies in.

Last weekend, we celebrated the 10th anniversary of Small Business Saturday, and I know that many colleagues will have spent the day visiting small businesses. In my constituency of Hornsey and Wood Green, we have Muswell Hill, Crouch End, Myddleton Road, Stroud Green and a number of other wonderful high streets bustling with activity. However, traders tell me that times are tough: changing technology, changes in consumer behaviour, and soaring energy costs and business rates are just some of the issues facing retailers. As part of my planning for the debate, the excellent House of Commons Chamber Engagement Team asked high street customers and small business owners about their town centres. I thank the 344 contributors, whose voices I hope to amplify today.

High streets are not just a place to shop for things we need; they are at the heart of our communities, and the small businesses on them are the lifeblood. They provide space for people to socialise, work and share ideas, and to catch up with old friends and make new ones. The pandemic taught us many painful lessons about what we value, one of which is undoubtedly how bereft our communities become when our town centres are no longer available to us.

Virginia Crosbie (Ynys Môn) (Con): I thank the hon. Lady for securing this important debate and for allowing me to intervene. The sudden closure of the Menai bridge by the Welsh Labour Government has decimated high streets in Porthaethwy and Beaumaris, and businesses in surrounding areas on Ynys Môn, during one of their most lucrative retailing seasons. Does the hon. Lady agree that the Welsh Labour Government should have invested in that bridge so that this catastrophe did not happen, and that they need to do much more than just offer free parking to help employers protect vital jobs on the high street at this vital time?

Catherine West: I believe that the free parking that is on offer from the Welsh Government is not necessarily replicated in England, so there are swings and roundabouts with different regions. I am sure the Minister will know every detail about where free parking is available and where it is not, but that may well be something that my constituents now ask me for, because parking is quite a contentious issue in my local authority area.

Going back to the essay question—that of high streets—2.8 million people are employed in retail across the UK, and in London, our high streets are home to 41% of all businesses in the city. Small businesses employ 16 million people in the UK and account for two thirds of UK private sector employment, yet so many high streets are on their knees after 12 years of staggeringly low growth, and independent and small businesses have been hit very hard. The BBC reported this week that there were

[Catherine West]

9,300 fewer retail outlets in March 2022 than in March 2020, and a recent London Business 1000 survey showed that three quarters of London businesses are feeling less confident about the UK economy over the next 12 months. That is why today's debate is so important. We need to act now if we want to secure the future of our town centres and the 5.6 million small businesses across the country that are vital to our economy.

Developments in digital technology and the growth in online retail have completely transformed how people shop. Between 2006 and 2019, as we are all aware, online retail increased from around 7% to 19% of the market, while physical shops lost 13% of their market. The pandemic rapidly accelerated that trend and, sadly, many high streets have never recovered. In the week to 2 July 2022, overall retail footfall in the UK was 19% lower than the equivalent week in 2019. We saw how agile and innovative the retail sector can be when many shops moved online; however, that has not been enough to keep stores open, and businesses are begging for more support.

In 2014, the Centre for Retail Research predicted that the growth in online retailing and change in consumer demand would result in one in five UK stores closing within five years. Sadly, its predictions were correct, yet nearly a decade after they were made, the Government have failed to undertake any meaningful action to keep our high streets alive. One respondent, Trevor, described his local high street as follows:

"Depressing beyond belief. The life and vibrancy have completely disappeared".

Shops are not the only businesses leaving the high street. Post offices, such as the branch inside WHSmith on Wood Green High Road, and bank branches have also been closing at an alarming rate over the past decade. We must consider the damaging effect of losing these other high street services on small businesses and the welfare of our senior citizens.

At least 50 bank branches have closed each month in the UK since 2015. I look forward to hearing what the Minister has to say about that; he used to mention it quite a lot when he was on the Back Benches, so I hope he will have some solutions now he is in that powerful position. As colleagues will be aware, HSBC announced another raft of closures this week. Some 8 million adults struggle to cope in a cashless society, with 1.9 million reliant on cash for nearly every transaction they make. Small businesses dependent on local bank branches to safely deposit cash will be forced to go cashless if more branches close, further isolating those who only use cash.

Banks are closing disproportionately in lower-income areas, taking their ATMs with them, shutting off free access to cash and quality financial services from those who need them most. At Prime Minister's questions today, I was pleased to hear my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) ask eloquently what the Prime Minister would do about the closure of banks and the lack of access to cash. I hope the Minister will address that burning question.

Shop closures are also costing jobs. Some 1,001 shops closed between January and July this year, resulting in more than 13,000 job losses. Those closures will be among the 43% increase in insolvencies in the last 12 months alone.

Retail employees are facing huge instability at a time when so many people are struggling to pay their bills and put food on the table.

As the Union of Shop, Distributive and Allied Workers—USDAW—has pointed out, retail is one of the few sectors that offers employees the flexibility to balance their work alongside caring commitments, yet many small businesses report that they cannot afford to pay their staff a wage that reflects the increasing cost of living. That is true for one small hair care business in my constituency, Afrocentrix, which told me that, although it would like to pay its staff more, that would mean increasing the cost of its products at a time when customers are tightening their belts. Many small business owners told me that although they struggle to pay themselves, they would go out of business if they put their prices up.

Another matter of acute concern for small businesses is the effect of soaring energy costs. The Government claim to have recognised that, but they have failed to offer a sustainable long-term solution to provide businesses with the assurance they need. For food-producing businesses, which use a lot of energy, skyrocketing energy bills are extremely worrying. The chair of the Crouch End traders group, who owns a bakery in my constituency, told me that increases in product prices are a likely outcome of soaring energy bills. At a time when customers are tightening their purse strings, he believes that this is a perfect storm threatening many traders. The owner of the oldest family-run artisan bakery in Manchester replied to the House of Commons survey to say that their biggest fear was the totally unsustainable increase in energy costs. I hope that the Minister will address this issue when he speaks.

Where is the sustainable support for businesses terrified about their energy bills? Where is the support for businesses to become more energy efficient, to reduce bills and help the planet? One trader told me that

"offering grants for solar panels would help a lot of businesses," adding that

"a lot of us want to be greener but can't afford the initial capital outlay."

Labour would keep energy bills down by establishing a publicly owned generator, GB Energy, to guarantee energy security and a stable supply of affordable power. We would make Britain a clean energy superpower by 2030, making sky-high energy bills under the Conservatives a thing of the past. There would be an exciting role for small businesses to play, with so many of them wanting to be part of the solution.

The most pressing issue threatening disaster for our high street shops, which was mentioned by every trader I spoke to, is the major burden of business rates. I am sure that the shadow Minister, my hon. Friend the Member for Feltham and Heston (Seema Malhotra), will outline Labour's position on business rates, which I think is quite an exciting offer that would even out the disproportionate impact on small businesses compared with huge online retailers.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kevin Hollinrake): Will the hon. Lady set out what Labour's policy is? So far, I have heard only that it will scrap business rates; I have not heard what it will put in their place to raise the £22.5 billion a year that we raise in England.

Catherine West: I thank the Minister for his unusual intervention on the opening speaker. I am confident that Labour's plan to even up the balance between basic high street stores and the huge digital giants will bring the solution that so many of us are desperate to see. Labour is committed to rectifying that imbalance. I know that the Minister is concerned to help business, yet many respondents to the House of Commons survey reported that the planned revaluation of business rates from next April will do the opposite. Labour is putting forward a plan for a root-and-branch replacement of the business rates system, and I hope that the Minister can be equally ambitious.

To help small businesses that are struggling now, Labour would look again at the value of properties, assessing the impact of the burdens on them and what we can do about that. As the Stroud Green traders group in my constituency pointed out, in London it is rare for a high street property to be eligible for business rates relief. We look forward to a reassessment of the threshold for relief. If it were, say, £25,000 rather than £12,000, that would help very small businesses in London and other cities that pay such a high level of income on their rateable value.

There is scope to reinvigorate our town centres, and I welcome the work of local authorities, including the work that my own Haringey Council does under the leadership of Councillor Ahmet and cabinet business lead Councillor Jogee. I also pay tribute to Diane Southam, our departing head of economic development, to Ian Cruise, the town centre manager, and to the business improvement district. We are lucky to have a BID, which I am sure many others in the House will know about, that combines the “cleaner, greener, safer” theme and makes the high street much more appealing and attractive to shop in.

I urge the Government to look at creative ways to help our town centres by introducing community, arts and cultural events to attract people to the area. Last week I had the pleasure of meeting the founder of the RecordShop, a community interest company based in Wood Green mall. It is run by a youngster, Mary, who set up the RecordShop to help young people in Haringey and surrounding boroughs to gain skills and experience. It hosts open-mic nights, events and markets. Her vision for the RecordShop shows us that there is room for a renewed relationship with our high streets, and I hope that the Minister will consider this proposal positively.

The warning from small businesses could not be more stark: failing to act now to reduce the onerous costs that they face will result in thousands more closures and job losses, even between now and next April. Supporting high street businesses must be an integral and immediate part of any Government strategy to promote economic growth, as it is in London, where the Local Government Association recognises the importance of thriving high streets in its economic framework for growth. Labour has an urgent recovery plan, underpinned by a hardcore industrial strategy for retail, ready to go. I urge the Minister, once he has heard the pearls of wisdom from the shadow Minister, to take immediate action to work collaboratively to improve our local high streets.

Several hon. Members *rose—*

Judith Cummins (in the Chair): Order. Members will see that the debate is heavily subscribed, so I ask that they stick to around four minutes initially.

4.43 pm

Robbie Moore (Keighley) (Con): It is a pleasure to serve under your chairmanship, Mrs Cummins. I thank the hon. Member for Hornsey and Wood Green (Catherine West) for securing this really important debate; talking about small businesses and the revitalisation of high streets is undoubtedly incredibly important.

As the hon. Member indicated, last Saturday we celebrated 10 years since Small Business Saturday was introduced—what a moment for us to be having this debate. No doubt we all spent the weekend out and about in our constituencies, supporting our many independent retail shops. I celebrated by going out and buying my Christmas tree from James and Anne, who run a fantastic business in Addingham. On Wednesday this week, they celebrate 63 years operating in Addingham, which is a huge achievement for a brilliant family-run business.

We are all familiar with such fantastic retail businesses. I suppose this is my opportunity to encourage all my constituents, while they have time, to get involved with my small business award. Nominations close on 9 December and it is a great way to recognise the valuable support that small businesses give to our communities and their customers.

There is absolutely no doubt that the pandemic has changed the nature of high streets, with many more people shopping online. That is a challenge that the market is driving, and it is difficult for the Government to react to it. I do not accept the blame game that says that is the Government's fault. The way people buy items is very much market-driven, and most people now go online, which is incredibly challenging and frustrating for our many independent businesses.

Of course, there are mechanisms that the Government or local government can use to try to keep high streets as alive as possible. I welcome the range of support that the Government have put in place to help with utility costs, and the indication that they will look at things such as business rates. As the Minister will know, I have said in this place many times that there is a case for reviewing business rates. There is a case for them to be linked more to turnover or calculated on a percentage basis, rather than relating to the area of space that a business occupies. That might take away the challenge faced by a new business occupying a large space and being exposed to business rates. But of course we know that there are reliefs in place, which have been expanded, that are helping many of our small businesses.

I want to pick up on the point made by the hon. Member for Hornsey and Wood Green about the closure of a lot of high street banks. Unfortunately, in Ilkley, we have just had the announcement that HSBC will close its branch, Barclays has already closed, and NatWest has indicated that it will close too. We need to send a wake-up call to the banking sector. I would like to see the banks come together and have a proper conversation about banking hubs. Those could be implemented on the high street, utilising the same premises, and would remove the challenge that banks face keeping their customer base going into branches. We all know that high street banks can help customers who do not live purely in a cashless society. In common with post offices, it is important that we keep those vital facilities going, with a presence on the high street.

[Robbie Moore]

In my constituency of Ilkley, and in Keighley, one of the things that causes frustration for local businesses is parking charges. Bradford Council has brought in parking charges in Ilkley, which is incredibly frustrating to a place that is driven by tourists who want to browse our many fantastic retail offerings. When people arrive, they do not know how long they want to stay, so they are faced with the challenge of spending money on car parking and then having to rush back without feeling that they have had enough time to shop and browse. Bradford Council has got it wrong in my constituency. If parking charges have to be implemented, better and more innovative schemes could be considered.

BIDs are an important tool if they have a good culture, a good management team and a good strategy in place. I pay tribute to the Ilkley BID and its manager, Helen Rhodes, who does a fantastic job keeping the sell factor going and driving the good local stories that we have to tell in places in my constituency. On that note, I thank the hon. Member for Hornsey and Wood Green—what a brilliant debate.

4.49 pm

Navendu Mishra (Stockport) (Lab): It is a pleasure to serve under your chairship, Mrs Cummins. I congratulate my hon. Friend the Member for Hornsey and Wood Green (Catherine West) on securing the debate. I declare an interest as a member of USDAW. I worked in the retail sector for many years—almost six years, actually, for the John Lewis Partnership—and I have been a member of USDAW for a long time. I want to be up-front about that.

I am proud to represent Stockport, which has many district centres and a vibrant town centre where lots of independent shops operate. We have the iconic SK1 Records and Rare Mags in the town centre, the Funky Monkey café in Davenport, and Blue Door Flowers, where I was on Small Business Saturday. One of the issues we have—I hope the Minister will respond to this—is that the Government do not seem to have a strategy. They do not have an industrial strategy when it comes to the workforce and they do not have a strategy when it comes to saving our high street.

Several points have been mentioned, such as access to cash. People should not have to pay a fee to access their own hard-earned cash. Linked to that point is the post offices mentioned by my hon. Friend the Member for Hornsey and Wood Green and the hon. Member for Keighley (Robbie Moore). I have a Crown post office within walking distance of my constituency office in the town centre. Before the pandemic, sadly, there was a strategy to close it and replace it with a smaller, franchised counter. That Crown post office offers an excellent service to our town—it is staffed by civil servants rather than franchise employees—which will be lost to our town centre if we lose that service.

The trade union USDAW—the main trade union representing retail sector and distribution sector workers—has a “Save Our Shops” campaign, which it has been campaigning on for a long time. Some of the points from that campaign are: economic measures to create a more level playing field between the high street and online retailers; fair pay and job security for retail

workers; a minimum wage of £12 an hour, moving up to £15 an hour; tackling zero-hours contracts and short-hours contracts; and investment in skills and training.

The Government should really ensure that retail jobs are well paid, because a large number of people in our workforce are employed in the retail sector—as I said, I worked for almost six years in the retail sector—and retail jobs are real jobs. Retail is a key part of the economy, providing jobs and income for millions of families. We need to ensure that those people get a fair deal, especially in the light of the recent high levels of inflation because of the Government’s bad economic management.

I want to highlight the fact that in May last year it was reported in *The Guardian* newspaper that in 2020 Amazon had sales income in Europe of €44 billion but paid zero corporation tax. The year before that, the Fair Tax Foundation found that Amazon was—alongside other tech giants—one of the worst companies for aggressive tax avoidance. I hope the Government will take action.

A key stat for the north-west that I want to highlight is that PwC reported that 779 shops in the north-west of England—my constituency is in the north-west of England—have closed since the start of 2022. I appreciate that the pandemic had an impact, but according to the Centre for Retail Research high streets lost 177,000 jobs in 2020. As I mentioned, those jobs are real jobs, and we need a strategy to ensure that people are paid fairly and that those jobs exist.

I could go on for a lot longer, but I know that other Members want to speak and that you set an informal time limit of four minutes, Mrs Cummins, so I will end on this point. We need a clear strategy from the Government when it comes to saving our high streets and saving independent businesses. We also need to ensure that online tech giants are taxed and that we do not allow them to dodge billions and billions of pounds-worth of tax.

4.53 pm

Yasmin Qureshi (Bolton South East) (Lab): It is, as ever, a pleasure to serve under your chairmanship, Mrs Cummins. I thank my hon. Friend the Member for Hornsey and Wood Green (Catherine West) for securing the debate.

This issue is so vital to towns such as Bolton, which I have seen evolve since my election in 2010. In years gone past, the high street of Bolton bustled and businesses flourished. It was a real economic centre in the north-west. We had a large department store, and it may seem trivial but the high street was populated with butchers, greengrocers and the like, all offering affordable and fresh options. Fast forward to today and it could not be any more different: we have empty shops, a huge number of betting shops and charity shops, and tons of pawnbrokers. It is a perfect storm for a town that is now the third most deprived in Greater Manchester, and my constituency is the 38th most deprived in the United Kingdom.

The decline is obvious. There is a clear correlation between the rise of the internet and super-retailers and the demise of our high streets. As online retailers took over, the need to commute into Bolton town centre to go shopping quickly became unnecessary. The ease and

simple nature of it seemed to offer all upsides and no downsides; a new mode of leisure was here to stay. The pandemic has made things worse. Our high streets in Bolton and throughout the country are now in a concerning state, and it is our economy and the people of our country who are losing out.

I am not saying that we should not be able to shop online—indeed, I am sure all Members have used online retailers—but we need to rebalance the scales to ensure that brick-and-mortar businesses in Bolton can compete with online stores, which have lower costs and can reduce their prices. I want to see Bolton High Street flourish. I want independent retailers, coffee shops, butchers, bakers and others to spring up. I want our high street to reflect the Britain of old: a nation of shopkeepers. For that to happen, we need a Government who take an active role, a state that nurtures business and a taxation system that rebalances the scale in favour of brick-and-mortar businesses.

Labour plans to replace business rates with a fairer system and devolve power to local communities so that they can decide what they want to do in their local area. We have committed to truly invest in and level up left-behind neighbourhoods such as Farnworth and Harper Green in my constituency, and to spur regional growth. That will ensure that regions are more prosperous and create jobs and opportunities. It will make towns such as mine and others good places to grow up, learn, work and grow old in. People should not have to leave to get on, and improving employment prospects on the high street is key to that. I urge the Government to do more to help our local shops.

4.57 pm

Justin Madders (Ellesmere Port and Neston) (Lab): It is an absolute pleasure to see you in the Chair, Mrs Cummins. I congratulate my hon. Friend the Member for Hornsey and Wood Green (Catherine West) on securing this really important debate.

This debate is apposite, because only last week Barclays bank announced that it is going to close its branch in Ellesmere Port. What is particularly frustrating about that is that I was approached a couple of months ago by a constituent who told me that when they went into the branch they were discouraged from using the counter services. In fact, they were told that it was not available to personal customers and that there were other options available. Lo and behold, two months later Barclays bank says, “We don’t really have people coming into the branch any more, so we don’t need to keep it open.” I am afraid this drive to online services is being used by banks that can frankly afford to keep those branches open. It is part of a wider trend.

We will now go through a 12-week consultation period that has been described as nothing more than a box-ticking exercise. I am pretty clear that Barclays is not going to change its mind. Has any bank ever decided to remain open after announcing its closure? The code of practice needs to be looked at seriously, because we are being treated as a box-ticking exercise. The wider impact of such decisions on our communities needs to be considered much more.

It was 20 years ago that Barclays closed its branch in Little Sutton. It told us then, “It’s not a problem because you can still use the branch in Ellesmere Port.”

Now my constituents will be sent further and further afield. HSBC announced that it would close its branch in Ellesmere Port back in March. It said, “You can go and use the branch in Bromborough, about five miles away,” but this week it announced that it is going to close the Bromborough branch. The cumulative effect is there for all to see. It seems that we are powerless to stop this trend, and our high streets are the worse for it.

Some banks say that post offices can be used, but we are seeing closure after closure of post offices. In my constituency, two have announced their closure in the past couple of months. The Post Office’s flawed model means that they will reopen only if there is commercial partner. That means the great likelihood is the people of Great Sutton and Elton will not see those branches reopen. The people of Elton have already suffered: they had to wait more than a year for a commercial partner to be found the previous time their branch closed, and the people of Neston had the same problem. The Post Office needs to completely reappraise its responsibility to communities, instead of operating on a completely commercial basis.

Barclays made £2 billion profit in the last quarter, so frankly it can afford to keep open every single branch that in recent weeks it announced would close. We need to draw a line in the sand. Will we continue to accept these closures? Will we continue to accept the decline of the high street? Or will we ask these organisations to take a bit more corporate responsibility for their areas, for the communities they are supposed to serve and for people who cannot go online for many understandable reasons?

Councils are not able to offer a solution while they are restricted by ever-shrinking budget rounds and competitive bids that are not always successful. We need a sustainable, long-term strategy for our high streets that requires big anchor organisations, such as banks and post offices, to serve their communities. Without that, the civic pride that people feel in their high streets will continue to erode, and we will all be the poorer for that.

5 pm

Taiwo Owatemi (Coventry North West) (Lab): It is a pleasure to see you in the Chair, Mrs Cummins. I thank my hon. Friend the Member for Hornsey and Wood Green (Catherine West) for securing this important and timely debate.

I am deeply concerned about the future of high streets across Coventry. The covid-19 pandemic and non-stop Government economic mismanagement have put businesses in an impossible situation. Small business owners throughout Coventry regularly tell me how difficult it is to get on and succeed at the moment. Sadly, we have already seen a number of independent businesses shut up shop for good this winter.

Dotted across my city are much-loved independent businesses, but many, including cafés and butchers, have been forced to close this year, because they cannot keep up with skyrocketing running costs, high rent and expensive business rates. Once those businesses close their doors, it is incredibly hard for them ever to reopen. If we allow our high streets to fold, we are in real danger of losing the heart of many communities. I do not want smaller high streets in my city, such as Jubilee Crescent, Spon End and Jardine Crescent, to become empty and abandoned, and nor do I want to see Coventry city centre become hollow.

[*Taiwo Owatemi*]

On Small Business Saturday, I went to visit one of the wonderful businesses in my constituency: the Brownie Box on Sadler Road. The lovely coffee shop not only sells delicious fresh brownies and baked goods but supports the local community. When I sat down to speak to Emily, the shop owner, she told me of the challenges she is facing in staying open. The shop's energy bill has tripled since the summer, and she is dealing with the fluctuating prices of goods such as eggs. That makes it difficult for her to financially plan. That business is a wonderful bakery, but it needs support to continue to be viable.

There is much that we in this place urgently need to do to save our high streets and support smaller businesses. First, we need to replace business rates with a fairer system that supports smaller businesses, as Labour has promised to do. We must also empower local authorities with the means to invest in our high streets again, rather than cutting their budgets to the bone and failing to deliver levelling-up funds. Local councils should be in the driving seat so that they can properly support their own high streets. We must make it much easier to start up a new business and gain premises.

Labour is leading the way. We have pledged a review of starting up businesses in the UK. Only by levelling the playing field will we ensure that independent businesses can compete with dodgy online giants such as Amazon, the warehouse of which in my constituency continues to see my constituents treated unfairly in sub-par conditions, and which does not pay its fair share of tax. Unless we get money back into people's pockets, bring down bills and deliver new well-paid green jobs, our high streets will continue to collapse. If we fail to provide high streets and small businesses with the help that they desperately need, none of us should be surprised if we see more businesses and shops boarded up, and many communities losing their identities.

The time for action is now. The ball is firmly in the Government's court. When will the Government back Coventry's high street and support small businesses?

5.4 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to see you in the Chair, Mrs Cummins, and I thank my hon. Friend the Member for Hornsey and Wood Green (Catherine West) for securing the debate.

If we were in York today, we would see that it is buzzing, which is no accident, because York BID—the business improvement district—along with the York High Street Forum and Indie York, which represents 65% of businesses in York, have worked so hard. York is thriving, but they are worried about what will come in the new year, and they certainly do not feel comfortable about that, not least given the challenges ahead. Energy is still an issue, but we are also still working through this recovery, which will take some time.

Today, I will focus my comments on some of the innovation that is happening in the high streets of York. We have the StreetLife project on Coney Street, which is looking at the future and considering what York's high streets are going to be like, including the opening up of a new high street on the riverside that will be a new opportunity for businesses to invest. Currently, a centre

is open that people can come into, and it is wonderful seeing children playing in what used to be a high street shop. People can come and just take in what our city is about.

I want to focus in particular on the Guildhall project. We are looking at new skills, businesses and opportunities in the city. The University of York has made a significant investment, as a university for public good, working to take a 30-year lease. Already, we are looking at 160 jobs coming into the city centre, giving it a new life. The university says:

"A crucial part of the University's civic mission as an institution for public good is to support local business and community networks, and as we rebuild and recover from the pandemic the Guildhall will enable us to provide more expertise and training to help our regional businesses and charities to recover, innovate and grow."

The Guildhall project is really exciting. The 15th-century Guildhall now has offices around it, and Eagle Labs and the University of York have come along to support new entrepreneurs in our city to accelerate their businesses and grow them, bringing new businesses into our city centre with office space, conferencing facilities, a café and co-working. There is a great opportunity there, with training and networking for existing businesses, and business leaders coming into the heart of our city. This is how we are revitalising our high streets: with the businesses for the future and the new communities for the future.

Catherine West: I congratulate my hon. Friend on her positive tone. Combined with her ideas on housing, which she has talked about in the House, what she describes could be a really fantastic way forward for York, with the university, the housing and the vibrant high street.

Rachael Maskell: I thank my hon. Friend for her comments. Of course, we are building that vision for the future of our city and it is coming to life.

There is not only the Guildhall project. Spark is a community interest company in our city centre that has now set up in old shipping containers, no less. It is a real community space where there are start-ups, support, events, a food bank, a kids' cinema kids—you name it, it happens at Spark. It is an exciting place.

We need to ensure that the kinds of initiatives I have mentioned get the support that they need to be able to grow and create the next generation of our high streets. That is why I look to the Minister, while he has the pen in his hand, to think about how we invest in the future of our high streets. In particular, we should look at the investment funding pots that can be applied to, to ensure that we really give energy to these opportunities and see the businesses, growth and entrepreneurs flourish in the future, while ensuring that we build stability in our towns and cities for the years ahead.

5.8 pm

Jim Shannon (Strangford) (DUP): It is a pleasure, Mrs Cummins, to speak in this debate.

I congratulate the hon. Member for Hornsey and Wood Green (Catherine West) on setting the scene so very well. We thank her for securing the debate, and thereby giving us all a chance to contribute.

It is very nice to see the Minister—the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Thirsk and Malton (Kevin Hollinrake)—in his place. I was referred to today as a poacher turned gamekeeper. That is probably very much the case with the Minister, because he participated in and supported us in such debates when he was a Back Bencher.

Our local high streets are the backbone of not only our economy, but our constituencies. Some local businesses on our high streets faced devastation through the covid-19 pandemic—subjected to a lack of footfall, temporary and permanent closures and, more recently, struggles with payments due to the rising cost of living. In my constituency of Strangford, there are high streets in towns such as Newtownards, Comber and Ballynahinch. Villages in my constituency also have many smaller, but unique, shops. The high street in the main town, Newtownards, thrives throughout the week, especially on Saturdays, when there is a local market. The hon. Member for Keighley (Robbie Moore) said that a shop in his constituency had been there for 60 years. Wardens—a family-owned firm that employs 55 people—has been in Newtownards for 145 years, and we have other family-owned shops that employ fewer people but still provide employment; for example, the butcher's shop employs 65 people, although that is a massive store. We also have branded shops such as Peacocks and Argento. Comber High Street has a farmers' market once a month, where local farmers can come together to sell produce made in the heart of Strangford's farms and villages.

Coronavirus obviously had an impact on employment in our local high streets. As lockdowns lifted, the footfall was unfortunately not the same. I think that has now come back to a certain degree, although rising costs and prices have had an effect. Northern Ireland's Minister for the Economy initiated earlier this year and last year a local high street voucher scheme. It is probably unique to Northern Ireland, although I know the Minister is aware of it. Every person aged over 18 in Northern Ireland was given a £100 voucher, and the scheme contributed some £140 million to the economy.

We also have some issues with derelict buildings, as has been the case in Court Street, just off High Street, in Newtownards, although I am pleased to say that we now have an ongoing regeneration plan. It is hoped that an area that was once housing and some smaller, unique businesses will be returned to the glory days of the past. Unfortunately, the very nature of derelict buildings brings other antisocial behaviours.

High streets and town centres have struggled in recent years as trends have changed. The hon. Member for Keighley and others mentioned online business. A few years ago, Excel Clothing in Newtownards recognised that although it had a lovely shop front on the high street, it needed to go online. The owner did that and now half his business is online. That is a good thing.

Young people today would rather find gifts online—order them and have them delivered—than go out and trek around the shops, whereas my wife, all her family and that generation love to go shopping; for them, it is part of the fun. I have to say that my wife Sandra does all the shopping; I just make sure the money is available!

We can provide encouragement to ensure our high streets are looked after and made good use of, especially coming up to Christmas. Our local economies feed into

the economy of the country. I know that the Minister and the shadow Minister grasp the importance of the high street for us all, and we look forward to hearing their comments. We must make more use of the amazing businesses offered to us, the core of which has to be the high streets in my constituency of Newtownards and in everybody else's constituencies.

5.13 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): It is a pleasure to serve under your chairship, Mrs Cummins. I congratulate my hon. Friend the Member for Hornsey and Wood Green (Catherine West) on securing this popular debate, which comes soon after the 10th anniversary of Small Business Saturday. As someone who grew up above my parents' small business, I was delighted to celebrate with my hon. Friend and so many colleagues from across the House.

Everyone has spoken powerfully. My hon. Friend the Member for Hornsey and Wood Green, the hon. Member for Keighley, my hon. Friends the Members for Stockport (Navendu Mishra), for Bolton South East (Yasmin Qureshi) and for York Central (Rachael Maskell), and the hon. Member for Strangford (Jim Shannon), have spoken on common themes: the need for regeneration; the need to tackle the high costs affecting local high street businesses; fluctuating prices hitting profitability and services; the urgently needed business rates review; the closure of bank branches; the loss of ATMs; the impact on families and local consumers; and the need for civic pride.

We are also here to celebrate our small businesses and high streets. Good high streets are anchors of community life, where neighbours come together. They employ so many in the local community: an estimated 14% of the UK workforce works on the high street, in civic centres, leisure centres, cafés, offices, banks, post offices and so on. Our high streets reflect and shape the character of the places they are in. They are the backbone of what Labour calls the everyday economy, they are central to our growth agenda for the local and national economy, and they are a space for local entrepreneurship and community businesses. Those arguments are made so powerfully by UKHospitality, the British Retail Consortium, the National Hair & Beauty Federation and others. We need to see our high streets thrive.

We all know that, as has been illustrated in the debate, times have been tough. But they have been made tougher because of the lack of action—speedy action—from the Conservative Government. They also do not do enough to pre-empt the impact on local communities of the decisions they make in respect of local authority spending cuts and so on.

We have also seen the issues relating to shifting spending patterns and the severe inflationary headwinds leaving consumers with less money to spend and retailers with slimmer profit margins. PwC expects Christmas spending to decline by £1.8 billion—and that is in the golden quarter, when retail traditionally recoups any losses. This matters because, as emphasised by Gordon Brown's commission on the future of the UK, launched this week, the high street prospers only when the local community and local economy are strong, because people need money in their pockets in order to spend it.

The stress caused by the cost of living is now a major cause of abuse against shop workers. Retailers such as Tesco, representatives of which I met last week as part

[Seema Malhotra]

of its winter food-collection scheme, told me about the increase in the shoplifting of everyday items. People are struggling just to get by. The trade union USDAW, which has made powerful contributions to the wider debate, says that verbal and physical abuse is worsening. On a recent visit to Sainsbury's I saw for myself the fortitude of staff in dealing with abuse that should not be coming their way.

The decline of the high street is a problem we have been aware of throughout the Government's time in power. They even commissioned the Portas review, but in August Mary Portas hit out at the Government for their dither and delay while high streets faced what she called the "biggest proper crisis" she has seen. Last year, the Levelling Up, Housing and Communities Committee criticised the Tories' current solutions, such as town deals, the towns fund and the high street taskforce, as "too complex, short-term, and fragmented".

They do not come anywhere near to making up for 12 years of local authority underfunding, let alone a strategy for regenerating our high streets and supporting businesses to achieve net zero.

Unlike the Conservatives, we want to see high streets that are thriving—and we have a plan for that. We will implement a robust industrial strategy, so that business owners can plan and invest with confidence in our communities. We will implement a plan for clean energy, so that by the end of the decade we are saving almost £100 billion for businesses and consumers. We are committed to the reform of business rates. The current unfair system sees high street businesses forking out a third of business rates even though they make up just 15% of the overall economy. We would level the playing field between online retailers and bricks-and-mortar shops by increasing the digital services tax. The retail sector is absolutely crying out for that—indeed, the Retail Jobs Alliance, a coalition of major retailers, is calling for that very policy.

Communities must be put in the driving seat. To put them there, we should support the growth of co-operatives and ensure that communities are given a real stake and say in the development of their town centres. That is why the Labour party is committed to doubling the size of the co-operative sector. Labour city Mayors are also making a difference. For example, the Mayor of London is funding night time enterprise zones, because opening up at night can increase footfall during the day as well. The pilots have been successful.

Labour's plan would strengthen the high street, because we listen to those who use and make the high street on the need for an industrial strategy, the dignity of retail work and the reform of business rates. We want to see this sustained through co-operatives, assets of community value and the biggest transfer of power the UK has ever seen. I look forward to the Minister's response to the important issues raised in the debate.

5.19 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kevin Hollinrake): It is a pleasure to serve with you in the Chair, Mrs Cummins. I congratulate the hon. Member for Hornsey and Wood Green (Catherine West) on securing this important

debate. As I knew she would, she spoke passionately on behalf of her constituents and our high streets.

We all agree about the importance of high streets. As the hon. Lady pointed out, this is not just about our local economy: high streets are crucial to our local communities. On a national scale, the retail sector alone contributes around 4% of UK gross value added and almost 3 million jobs. She referenced the impact of e-commerce, and I agree with the shadow Minister about the need for us to establish and maintain a fair and level playing field—something I have often spoken about in Parliament. I join the hon. Member for Stockport (Navendu Mishra), who called for more action on ensuring a fair and level playing field on taxation.

With 26% of retail sales taking place online, it is important to note that small high street businesses also trade online. That is about innovation but, as my hon. Friend the Member for Keighley (Robbie Moore) pointed out, it is consumers and consumer choice that are driving transactions online. We should not dictate to consumers where they shop, but that is nevertheless causing difficulties for our high street. I share the concerns of the hon. Member for Coventry North West (Taiwo Owatemi) about ensuring that we protect our high streets through this revolution—and it is a revolution—but we should not forget that it is consumers driving the revolution, rather than rates or any other issue. These are additional issues for retailers, but the primary issue is the customers in the first place and the footfall through different stores.

Jim Shannon: A shop in my high street moved from being just a shop front—an excellent and massive shop it is as well; probably four times the size of this room—to going online. It proved that by going online it could also maintain its presence on the high street. Can we do something to encourage businesses to do both—to have a shop on the high street and to be online?

Kevin Hollinrake: The hon. Member makes a good point. I was just going to come to his experiences shopping with his family in the physical high street. My family does that too. On Saturday, I was in Malton—one of the towns in my constituency—for Small Business Saturday. I too enjoy the experience of physically going shopping, and Malton is a wonderful example, as it created a new identity for itself as Yorkshire's food capital. This is the future of high streets: a mixture of hospitality, leisure and retail. Malton has successfully done that, and there are lots of lessons to be learned from it.

The hon. Member for Strangford (Jim Shannon) rightly pointed out that there is an opportunity for businesses to be not just a physical or an online retailer, but both or either. It is about the creativity of businesses in meeting their customers' needs, and that is what we have to facilitate. Of course, there is a multitude of opportunities for employment, from flexibility to the development of new and portable skills. We also need to recognise retail as a rewarding career—something that the Retail Sector Council, which I co-chair, is keen to do.

The high street has struggled with the pandemic, which has caused difficulties. We should pay tribute to the creativity and resilience of businesses and their ability to respond to those challenges; we have all seen examples on our high streets. It is right that part of our mission is to ensure that our high streets and the

communities that depend on them receive the investment they need to properly plan and grow for the long term.

The hon. Member for Hornsey and Wood Green talked about the lack of meaningful action from the Government, which is one thing I do not accept. At a local level, we have to ensure that our local authorities have the right plans for infrastructure to drive footfall, and ensure that goods and services flow easily, and businesses and consumers benefit from decent roads, affordable parking and a clean and well-cared for mixed environment. At a national level, the Government are doing much, including through initiatives such as our £4.8 billion levelling-up fund and the future high streets fund. Last year, we published our build back better high streets strategy, which identified many changes we need, and we have already gone a long way towards delivering on that.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): My hon. Friend is right to highlight the potential benefits of wisely spending the levelling-up fund or the towns fund money that is available to local authorities. He may want to note that this has been done very successfully in Ipswich, where I helped to devise a scheme to support local shopping parades, which will see improved parking and many other enhancements. Might we be able to use that as an exemplar of what can be done to support the local high street and improve footfall?

Kevin Hollinrake: That is a great example. Through the different councils, we are determined to develop different best practice examples. My hon. Friend points to the leadership in his context, and I urge all colleagues to do the same and be leaders in their communities.

The Government have created a new commercial business and service use class, giving businesses the freedom and flexibility, through class E, to change use without needing planning permission. We are working to make permanent many of the regulatory easements we introduced during the pandemic that not only allowed cafes and restaurants to move the indoors to the outdoors but helped to create vibrant, bustling outdoor spaces. In the Levelling-up and Regeneration Bill, we are committed to going further to support places to tackle blight and revive our high streets, by giving new powers to local authorities to require landlords to rent out long-term vacant commercial premises to prospective tenants.

The hon. Member for York Central (Rachael Maskell) raised the important redevelopment of the Guildhall, which is a fantastic facility. I am sure she knows that the £22 million for that came from His Majesty's Government's growth deal and the getting building fund. The Government are doing much in these areas, including in the hospitality strategy and much more.

I will touch on one or two of the points made. The hon. Member for Ellesmere Port and Neston (Justin Madders) was understandably concerned about the closure of bank branches, which we have all experienced in our areas. Banking hubs are part of the solution, which we

are supporting, as are post offices. There is a banking agreement that helps our post offices to maintain their profitability.

The hon. Member for Stockport talked about his local post office. Post offices are vital to local communities. The Government provide around £50 million a year in subsidies to ensure post offices are still with us. He also raised the matter of access to cash. Clause 47 of the Financial Services and Markets Bill deals with that, and gives the Financial Conduct Authority new powers to require provision of access to cash where it is disappearing from our high streets.

I will touch on business support thus far. The autumn statement's £13.6 billion of business rates support has been welcomed right across the sector. It would be irresponsible and undeliverable to commit to simply scrap a tax completely, when it raises £22 billion in England alone, and not to say what it will be replaced with. That tax money has to be replaced by something, and we need to understand exactly what the replacement will be. Our approach is more realistic, reasonable and deliverable, as is the energy bill relief scheme, which is hugely important, as it provides vital support for businesses through to the end of March. We have been clear that there will be further support for some vulnerable sectors. The details of that support will be announced by the end of the year. For retail, I am sure there is a very good case for many of our smaller businesses on our high streets to get extended support.

I want to give the hon. Member for Hornsey and Wood Green time to respond. I thank all Members for their contributions. It is encouraging to see that all sides of the House share a common cause to look after our high streets, and make sure they are still focal points for our local communities.

5.28 pm

Catherine West: I thank all the Members who have participated. There is a spot of light in the amendment to the Financial Services and Markets Bill around access to cash. However, the bigger picture does not offer an encouraging outlook: a 16% increase in business insolvencies compared with this month a year ago, and 11% more than in pre-pandemic times. These are troubling times, particularly for small businesses. The loss of jobs is likely to come through the closure of shops, banks and post offices, and the general lack of strategy from the Government. I hope we can have a further debate with a bit more substance to it, perhaps with a strategy from the Minister, not just an amendment to a Bill. I look forward to you being in the Chair for that, Mrs Cummins.

Question put and agreed to.

Resolved,

That this House has considered employment and the high street.

5.29 pm

Sitting adjourned.

Written Statements

Wednesday 7 December 2022

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Post Office Horizon Scandal: Compensation

The Secretary of State for Business, Energy and Industrial Strategy (Grant Shapps): The Post Office Horizon scandal, which began over 20 years ago, has had a devastating impact on the lives of many postmasters. Starting in the late 1990s, the Post Office began installing Horizon accounting software, but faults in the software led to shortfalls in branches' accounts. The Post Office demanded sub-postmasters cover the shortfalls, and in many cases wrongfully prosecuted them between 1999 and 2015 for false accounting or theft.

The High Court group litigation order case against the Post Office brought by 555 postmasters exposed the Horizon IT scandal, which had seen many postmasters forced to "repay" to Post Office sums that they had never received. In March 2022, the then Chancellor announced that further funding would be made available to ensure that members of the group litigation order will receive similar levels of compensation to that which is available to their non-group litigation order peers.

On 2 September my predecessor wrote to all postmasters in the group litigation order group to ask for their views about whether BEIS or the Post Office should deliver the compensation scheme, and whether it should be organised along the lines of the historical shortfall scheme or based on an alternative dispute resolution approach. There was very strong support for the alternative dispute resolution scheme, to be delivered by BEIS. Today I am announcing that this is the route that we will follow.

The informal consultation also requested views on other issues related to the scheme. Unsurprisingly, there was considerable concern among postmasters that the scheme should be subject to properly independent input. In the light of this, we have decided to create an independent advisory board chaired by Professor Chris Hodges, an expert in alternative dispute resolution. The membership of that board will include Lord Arbuthnot and the right hon. Member for North Durham (Mr Jones), who are recognised by colleagues across Parliament for many years of outstanding campaigning for the wronged postmasters. The advisory board will be supported by a BEIS secretariat.

Since the consultation closed a great deal of work has been done to develop the details of the scheme, drawing on the detailed comments made in response to the consultation. I am today writing to members of the group litigation order with further information about how the scheme will work.

We are now asking claimants to prepare preliminary information about their claims. In parallel, we are working to engage alternative dispute resolution specialists and lawyers to deliver it. Those experts should be on board

in early spring, and at that point full claims will be submitted. I hope that compensation will start to flow before the summer, and that most cases can be resolved before the end of 2023.

We have already announced that we will meet postmasters' reasonable legal costs in claiming under the scheme. To enable lawyers to get to work on preparing claims, we are today announcing details of the costs tariff for the early phases of the scheme, which have been set by independent costs draftsmen. We will shortly be inviting claimants' lawyers to make proposals for the expert evidence which they will need. I am also pleased to say that the compensation payments will be disregarded for benefits purposes—once secondary legislation is in place.

I will deposit a copy of my letter to group litigation order postmasters dated 7 December, the group litigation order consultation report, the group litigation order process map and the draft group litigation order claim form in the Libraries of the House.

Overtaken historical convictions

I am also pleased to provide an update on Post Office's progress in delivering compensation to those with overturned historical convictions.

Lord Dyson considered the awards available for non-pecuniary damages, which are personal damages such as mental distress and loss of liberty, in an early neutral evaluation process earlier this year. Since then, the Government have supported Post Office's approach to deliver compensation more swiftly by settling non-pecuniary claims first using the framework established by Lord Dyson. As of 1 December, 51 claims for non-pecuniary damages have been received and 37 offers made, worth £4.7 million in addition to interim payments already paid.

Regarding pecuniary damages, which are financial damages such as loss of earnings, only eight claims have been received to date, two of which have been settled in full and final settlement alongside their non-pecuniary damages. Government continue to encourage Post Office to process these claims as fast as possible.

As of 1 December, 82 claims for interim compensation have been received and 77 payments made, worth £7.7 million. Post Office has also identified potential cases of hardship and offered and paid further hardship payments of £100,000 to three postmasters. Furthermore, following the recent statutory tax exemption and early neutral evaluation, Post Office decided to increase the upper limit of interim payments for all future applicants to £163,000—from the original upper level of £100,000. For those claimants who received the original interim payment amount of up to £100,000, Post Office has rightly been focusing on progressing and settling their non-pecuniary claims. However, where claimants who had received the original interim payment amount of up to £100,000 and were not able to submit a non-pecuniary claim by early December—and it is therefore unlikely that their non-pecuniary claim would be settled by the end of the year—Post Office has offered top-up payments of £63,000.

Historical shortfall scheme

I am also pleased to see the progress that the Post Office has made in delivering compensation to postmasters through the historical shortfall scheme. As of 30 November, 93% of eligible claimants have been issued offers of compensation, totalling £70.8 million.

The cases that remain are some of the most complex and the Post Office is working to process these claims as soon as possible. However, the Government recognise the fact that those claimants who are yet to receive offers or payments may have been waiting for a considerable period of time for their cases to be settled. For these reasons, the Government are pleased that the Post Office will introduce interim payments for those who have yet to receive an offer or who have chosen to dispute their offer. This will be in addition to the existing hardship payments that the Post Office has already been providing to claimants in particularly difficult circumstances.

The Government announced in October that they are providing funding to Post Office to enable eligible late applications to be accepted into the historical shortfall scheme. Post Office is beginning to process the late claims it has received to date, and I would encourage anyone else who thinks they might be eligible to get in touch with the Post Office at the earliest opportunity to discuss their claim.

Benefit disregard

The Government are aware of the impact of the Horizon scandal on affected postmasters, resulting in significant financial hardship, including bankruptcy for some. Many postmasters have now received compensation payments which would take them over the £16,000 capital limit, rendering them ineligible to receive means-tested benefits and reducing pension credit entitlement. This risks prolonging the impacts of the Horizon scandal on these postmasters by affecting their eligibility to apply for benefits.

We are therefore introducing a benefits disregard for all Post Office and Horizon-related compensation. Once the secondary legislation for this disregard is in place, payments received by postmasters will no longer count towards the capital limit for means-tested benefits and pension credits and will therefore not affect their eligibility to claim for these.

The Government will legislate to put this disregard in place at the earliest possible opportunity.

[HCWS420]

HOME DEPARTMENT

Granted Accredited Financial Investigation Powers to Additional Agencies: Consultation

The Minister for Security (Tom Tugendhat): I intend to lay a statutory instrument before the House next year which will amend the Proceeds of Crime Act 2002 (References to Financial Investigators) (England and Wales and Northern Ireland) Order 2021/640 to ensure that the new powers introduced in the Economic Crime and Corporate Transparency Bill are operational and able to be used by accredited financial investigators.

This SI will also grant accredited financial investigator powers to an additional five agencies. This will bring the total number of agencies with access to these powers to 41 in addition to all police forces and local authorities in England, Wales and Northern Ireland.

Accredited financial investigator powers grant civilians working for that agency access to certain Proceeds of Crime Act 2002 powers, which assist in the effective recovery of proceeds of a crime that falls under that agency's jurisdiction.

The following organisations have sought access to accredited financial investigator powers:

Security Industry Authority
Food Standards Agency
Environment Agency
Public Sector Fraud Authority
Department for Work and Pensions

I have assessed the value of extending the powers to each of these agencies—in particular whether effective criminal justice outcomes could be reached in their jurisdictions without access to these powers—and I have provisionally concluded that we should seek to grant the powers to all five. However, I intend to seek the views of the wider public as to whether these organisations should be granted these powers.

As such, I am today publishing a consultation for 12 weeks. This consultation will seek to establish the views from the public on whether or not these organisations should be granted the financial investigator powers.

A copy of the consultation document will be placed in the Libraries of both Houses and also made available on www.gov.uk.

[HCWS419]

LEVELLING UP, HOUSING AND COMMUNITIES

Electoral Commission: Performance Standards for Returning Officers and Electoral Registration Office

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Lee Rowley): In accordance with section 9A of the Political Parties, Elections and Referendums Act 2000, I am laying before Parliament the Electoral Commission's new performance standards for returning officers and updated performance standards for electoral registration officers.

The Electoral Administration Act 2006, through amendments to PPERA, gave the Electoral Commission powers to set and monitor performance standards for electoral services. Under these provisions, the commission can determine and publish standards of performance for relevant electoral officers in Great Britain.

Following a consultation, the Electoral Commission has established a new set of standards for returning officers and made updates to the existing standards for electoral registration officers. The new standards reflect changes made by the Elections Act 2022, including measures to strengthen electoral integrity and prevent electoral fraud and ensuring the accessibility of voting in polling stations.

I welcome the Electoral Commission's updates to the performance standards to reflect the current legislative requirements, which will support the delivery of well-run electoral services and elections, and effective and consistent implementation of measures in the Elections Act 2022.

A copy of the performance standards will be deposited in the Libraries of both Houses.

The attachments can be viewed online at:

<https://www.gov.uk/government/publications/electoral-commission-performance-standards>.

[HCWS421]

English Freeports: Final Government Approval

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Dehenna Davison): Today I am announcing a major milestone for the flagship UK freeports programme, with the first English freeports—in Plymouth, Solent, and Teesside—now fully up and running after receiving final government approval. Each of these freeports will now receive £25 million of seed funding and potentially hundreds of millions in locally retained business rates to upgrade local infrastructure and stimulate regeneration. This is alongside a generous package of trade and innovation support for businesses locating there.

This significant milestone is an important step on the freeports journey and sends a clear message: the UK Government are backing these places as a key part of their economic strategy.

Freeports are at the heart of the Government's levelling-up agenda. They will unlock much-needed investment into port communities and their hinterlands. This in turn will help these areas overcome the barriers holding them back and bring jobs and opportunity to some of the UK's historically overlooked communities.

Freeports catalyse investment through a combination of tax reliefs on new economic activity, a special streamlined customs procedure, an ambitious programme of public investment, and wide-ranging support from the UK Government to help businesses trade, invest, and innovate.

Excellent progress has been made with delivery: investors can now take advantage of tax reliefs in all eight English freeports and are starting to do so, and we expect the remaining five English freeports to join Plymouth, Solent, and Teesside in receiving final approvals shortly.

This Government also remain committed to ensuring that all four corners of the UK can reap the benefits of our freeports programme. We have recently concluded competitions for two green freeports in Scotland and a freeport in Wales, and we will announce the winning locations in due course. We also continue discussions with stakeholders in Northern Ireland about how best to deliver the benefits associated with freeports there.

[HCWS418]

NORTHERN IRELAND

Independent Reporting Commission: Fifth Substantive Report

The Secretary of State for Northern Ireland (Chris Heaton-Harris): I have received the fifth substantive report from the Independent Reporting Commission.

The commission was established following the Fresh Start agreement of November 2015 to report on progress towards ending paramilitary activity. That agreement set out the Northern Ireland Executive's commitments around tackling paramilitary activity and associated criminality, and led to a programme of work to deliver a Northern Ireland Executive action plan. It also provided the framework for the UK Government, the Executive and law enforcement agencies, working with partners in Ireland, to work together to tackle the challenges of organised crime, paramilitarism and terrorism. In the New Decade, New Approach agreement in January 2020, a commitment was made to ongoing work to tackle paramilitarism, and this work continues, including through a second phase of the Northern Ireland Executive programme.

This fifth substantive report builds on the work already undertaken by the commissioners. I welcome the progress it highlights in a number of areas, including disruptions to paramilitary groups as a result of operations by the paramilitary crime taskforce, the downward trend in some aspects of paramilitary activity demonstrated by Police Service of Northern Ireland security statistics, and the reduction in the Northern Ireland-related terrorism threat level from severe to substantial. I also welcome the success and positive impact, noted by the commissioners, that the programme for tackling paramilitary activity, criminality and organised crime is having through its focus on the development of a whole of Government approach, and joined-up and integrated working across the public, community and voluntary sectors, and through its emphasis on interventions informed by strong evidence and data.

Yet the report also notes that the problem of paramilitarism is enduring. The criminal activity and coercive control exercised by paramilitary groups continue to cause harm to communities and individuals across Northern Ireland. A number of incidents in recent weeks have demonstrated the callous disregard that paramilitary groups, or those who claim affiliation with them, have for public safety, and the harm and disruption they continue to cause to the communities they often claim to represent.

The commissioners have set out a number of recommendations on how the effort to tackle paramilitarism can be enhanced, including a recommendation for the UK Government, and others, on the need for a formal process of engagement with paramilitary groups aimed at facilitating their transition towards disbandment. We will continue to consider this recommendation through engagement with representatives of Northern Ireland political parties, the Northern Ireland Executive, the Irish Government, with civic society and community representatives in Northern Ireland, and with the Independent Reporting Commission.

Paramilitarism was never justified in the past and cannot be justified today. As we approach the 25th anniversary of the Belfast/Good Friday agreement, it is important that we remind ourselves of the extraordinary progress that has been made since then on peace and prosperity in Northern Ireland. Yet it is clear that a sustained effort is required here over the long term to tackle the enduring problem of paramilitarism. We remain committed to delivering our vision of a safer Northern Ireland and

to working with partners to support efforts against the enduring threat and harms posed to communities by terrorist and paramilitary groups.

Political leadership from across the political spectrum in Northern Ireland is essential to ensure it remains clear that there is no place for paramilitarism, or the division it stems from, in Northern Ireland. It is a matter of profound disappointment that the local political parties have been unable to restore fully functioning devolved institutions. The lack of a functioning Executive

inhibits Northern Ireland Departments from taking a strategic, cross-cutting approach to tackling paramilitarism in partnership with the PSNI and the wider public sector. It remains my top priority to rectify the present situation.

Finally, I would like to express my thanks to the commissioners for their continued work reporting on progress towards ending paramilitarism.

[HCWS422]

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